

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

2012**Open to Public
Inspection****A** For the 2012 calendar year, or tax year beginning , 2012, and ending , 20**B** Check if applicable:

☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization

NFIB SMALL BUSINESS LEGAL CENTER

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address)

Room/suite

53 CENTURY BOULEVARD

250

City, town or post office, state, and ZIP code

NASHVILLE, TN 37214-3682

F Name and address of principal officer: DONALD A DANNER

1201 F ST. NW, SUITE 200 WASHINGTON, DC 20004

D Employer identification number

62-1570449

E Telephone number

(615) 872-5800

G Gross receipts \$ 2,080,692.**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)() (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ WWW.NFIB.COM/LEGAL**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: 1994 **M** State of legal domicile: TN**Part I** Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE NFIB SMALL BUSINESS LEGAL CENTER'S MISSION IS TO BE THE VOICE FOR SMALL BUSINESS IN THE NATION'S COURTS AND THE LEGAL RESOURCE FOR SMALL BUSINESS OWNERS NATIONWIDE.			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3	Number of voting members of the governing body (Part VI, line 1a)	14.	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	13.	
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	3.	
	6	Total number of volunteers (estimate if necessary)	20.	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0	
7b	Net unrelated business taxable income from Form 990-T, line 34	0		
Revenue	8	Contributions and grants (Part VIII, line 1h)	3,108,877.	2,080,333.
	9	Program service revenue (Part VIII, line 2g)	0	0
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	551.	359.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,109,428.	2,080,692.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	541,732.	617,955.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	10,280.	37,249.
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 252,926.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,404,307.	1,455,103.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	2,956,319.	2,110,307.
19	Revenue less expenses. Subtract line 18 from line 12	153,109.	-29,615.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	700,084.	394,797.
	21	Total liabilities (Part X, line 26)	376,636.	100,964.
	22	Net assets or fund balances. Subtract line 21 from line 20	323,448.	293,833.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: *Jeff Smith*
 JEFF SMITH, TREASURER
 Type or print name and title

Date 5/14/13

Paid Preparer Use Only

Print/Type preparer's name: BAXTER WILDER
 Preparer's signature: _____
 Date: _____
 Check ☐ if self-employed PTIN: P01212441
 Firm's name ▶ KPMG LLP Firm's EIN ▶ 13-5565207
 Firm's address ▶ 401 COMMERCE STREET, SUITE 1000 NASHVILLE, TN 37219 Phone no. 615-244-1602

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2012)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No**1** Briefly describe the organization's mission:

ATTACHMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 1,817,437. including grants of \$ 0) (Revenue \$ 0)
SEE SCHEDULE O FOR SUMMARY OF 2012 CASES

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 1,817,437.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12 a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14 a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20 a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input type="checkbox"/>	<input type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25 a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>	X	
35 a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	X	
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Form 990 (2012)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V. ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	16
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country: <input type="text"/> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI. ☒ **X**

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year. 1a 14		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b Enter the number of voting members included in line 1a, above, who are independent. 1b 13		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . .	3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Did the organization have members or stockholders?	6	X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a X	
b Each committee with authority to act on behalf of the governing body?	8b X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c X	
13 Did the organization have a written whistleblower policy?	13 X	
14 Did the organization have a written document retention and destruction policy?	14 X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a X	
b Other officers or key employees of the organization	15b	X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **ATTACHMENT 2**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **JEFF SMITH 53 CENTURY BLVD. SUITE 250 NASHVILLE, TN 37214-3682 615-872-5800**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII ☒ X**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DAVID M. GUERNSEY CHAIRMAN	1.00 1.00	X						0	34,000.	203.
(2) TIM CLAYTON DIRECTOR	1.00 1.00	X						0	17,200.	203.
(3) RUTH LOPEZ NOVODOR DIRECTOR	1.00 1.00	X						0	16,200.	203.
(4) A. JUNE LENNON DIRECTOR	1.00 1.00	X						0	22,000.	135.
(5) THOMAS MICHAEL NOBIS DIRECTOR	1.00 1.00	X						0	22,000.	203.
(6) MARIA COAKLEY DAVID DIRECTOR	1.00 1.00	X						0	22,000.	203.
(7) NEVIN GROCE DIRECTOR	1.00 1.00	X						0	22,000.	203.
(8) BETTY NEIGHBORS DIRECTOR	1.00 1.00	X						0	17,751.	203.
(9) KURT SUMMERS DIRECTOR	1.00 1.00	X						0	22,297.	203.
(10) JAMES HERR DIRECTOR	1.00 1.00	X						0	17,200.	203.
(11) BRUCE O'DONOGHUE DIRECTOR	1.00 1.00	X						0	17,200.	203.
(12) STEVE SCHRAMM DIRECTOR	1.00 1.00	X						0	17,200.	203.
(13) JEFF READY DIRECTOR	1.00 1.00	X						0	17,200.	203.
(14) DONALD A. DANNER PRESIDENT/CEO	1.00 39.00	X		X				0	750,626.	29,789.

Part VII	Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees <i>(continued)</i>
-----------------	--

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
15) MARY BLASINSKY SVP/SECRETARY	1.00 39.00			X				0	308,784.	33,767.
16) TAMMY S. BOEHMS SVP/CFO	1.00 39.00			X				0	393,353.	23,429.
17) JEFF SMITH TREASURER	1.00 39.00			X				0	184,138.	17,936.
18) SUSAN M ECKERLY SVP	1.00 39.00			X				0	326,872.	30,024.
19) KAREN R HARNED EXECUTIVE DIRECTOR	40.00 0			X				220,587.	0	16,815.
20) BETH MILITO SENIOR EXECUTIVE COUNSEL	40.00 0					X		177,275.	0	7,103.
1b Sub-total								0	1,014,874.	32,360.
c Total from continuation sheets to Part VII, Section A								397,862.	1,213,147.	129,074.
d Total (add lines 1b and 1c)								397,862.	2,228,021.	161,434.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 2

		Yes	No
3	Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 3		

2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization	2
---	--	---

Part VIII Statement of RevenueCheck if Schedule O contains a response to any question in this Part VIII. ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d	388,440.		
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,691,893.		
	g	Noncash contributions included in lines 1a-1f: \$				
	h	Total. Add lines 1a-1f		2,080,333.		
Program Service Revenue	Business Code					
	2a					
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		0		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		359.		359.
	4	Income from investment of tax-exempt bond proceeds		0		
	5	Royalties		0		
		(i) Real	(ii) Personal			
	6a	Gross rents				
	b	Less: rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)		0		
		(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory				
	b	Less: cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss)		0		
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a			
	b	Less: direct expenses	b			
	c	Net income or (loss) from fundraising events		0		
	9a	Gross income from gaming activities. See Part IV, line 19	a			
	b	Less: direct expenses	b			
	c	Net income or (loss) from gaming activities		0		
	10a	Gross sales of inventory, less returns and allowances	a			
b	Less: cost of goods sold	b				
c	Net income or (loss) from sales of inventory		0			
Miscellaneous Revenue		Business Code				
11a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d		0			
12	Total revenue. See instructions		2,080,692.		359.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX ☒ X**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	237,402.	237,402.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	277,916.	277,916.		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	75,640.	75,640.		
10 Payroll taxes	26,997.	26,997.		
11 Fees for services (non-employees):				
a Management	0			
b Legal	846,319.	839,318.		7,001.
c Accounting	11,850.		11,850.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	37,249.			37,249.
f Investment management fees	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) ATCH 4	328,382.	238,600.	1,232.	88,550.
12 Advertising and promotion	59,416.	56,916.		2,500.
13 Office expenses	178,834.	43,113.	18,095.	117,626.
14 Information technology	0			
15 Royalties	0			
16 Occupancy	0			
17 Travel	26,498.	19,325.	7,173.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	3,804.	2,210.	1,594.	
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	0			
23 Insurance	0			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a _____				
b _____				
c _____				
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	2,110,307.	1,817,437.	39,944.	252,926.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	0	1	0
	2 Savings and temporary cash investments	572,932.	2	375,664.
	3 Pledges and grants receivable, net	8,798.	3	15,030.
	4 Accounts receivable, net	541.	4	0
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	0	8	0
	9 Prepaid expenses and deferred charges	0	9	0
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b	10c	0
	11 Investments - publicly traded securities	0	11	0
	12 Investments - other securities. See Part IV, line 11	0	12	0
	13 Investments - program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	117,813.	15	4,103.
16 Total assets. Add lines 1 through 15 (must equal line 34)	700,084.	16	394,797.	
Liabilities	17 Accounts payable and accrued expenses	341,119.	17	70,211.
	18 Grants payable	0	18	0
	19 Deferred revenue	0	19	0
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	35,517.	25	30,753.
	26 Total liabilities. Add lines 17 through 25	376,636.	26	100,964.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	323,448.	27	293,833.
	28 Temporarily restricted net assets	0	28	0
	29 Permanently restricted net assets	0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	323,448.	33	293,833.
34 Total liabilities and net assets/fund balances.	700,084.	34	394,797.	

Form 990 (2012)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,080,692.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,110,307.
3	Revenue less expenses. Subtract line 2 from line 1	3	-29,615.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	323,448.
5	Net unrealized gains (losses) on investments	5	0
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	293,833.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII ☐

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
☐ Separate basis ☐ Consolidated basis ☒ Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form **990** (2012)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2012

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization

NFIB SMALL BUSINESS LEGAL CENTER

Employer identification number

62-1570449

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 ☐ A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 ☐ A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 ☐ A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4).

11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☒ Type I b ☐ Type II c ☐ Type III-Functionally integrated d ☐ Type III-Non-functionally integrated

e ☒ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? _____
- (ii) A family member of a person described in (i) above? _____
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? _____

	Yes	No
11g(i)		X
11g(ii)		X
11g(iii)		X

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A) NFIB, INC.	94-0707299	501 (C) (6)	X						0
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2012

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3.						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10%-facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10%-facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule of Contributors

OMB No. 1545-0047

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

2012

Name of the organization

NFIB SMALL BUSINESS LEGAL CENTER

Employer identification number

62-1570449

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization NFIB SMALL BUSINESS LEGAL CENTER

Employer identification number
62-1570449**Part I** Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 388,440.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4		\$ 915,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5		\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6		\$ 125,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization NFIB SMALL BUSINESS LEGAL CENTER

Employer identification number

62-1570449

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----

Name of organization NFIB SMALL BUSINESS LEGAL CENTER

Employer identification number

62-1570449

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ► \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----	----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----	----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----	----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----	----- ----- -----	

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

NFIB SMALL BUSINESS LEGAL CENTER

Employer identification number

62-1570449

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2012

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations
 d ☐ Loan or exchange programs
 e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII. ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ _____ %
 b Permanent endowment ▶ _____ %
 c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
(I) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

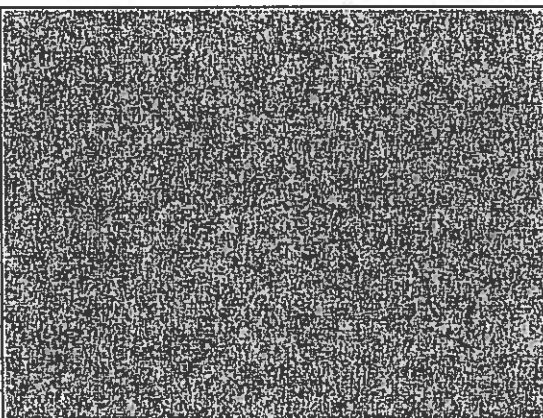
Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) _____		
(2) _____		
(3) _____		
(4) _____		
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
(10) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) _____	
(2) _____	
(3) _____	
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
(10) _____	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) DUE TO AFFILIATES	11,144.	
(3) VACATION ACCRUAL	19,609.	
(4) _____		
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
(10) _____		
(11) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶		30,753.

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. ☒ X

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	2,297,717.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	217,025.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	217,025.
3	Subtract line 2e from line 1	3	2,080,692.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	2,080,692.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	2,327,332.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	217,025.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	217,025.
3	Subtract line 2e from line 1	3	2,110,307.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	2,110,307.

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIII Supplemental Information (continued)

FIN 48 (ASC TOPIC 740) FOOTNOTE

SCHEDULE D, XIII

THE LEGAL CENTER IS EXEMPT FROM THE PAYMENT OF INCOME TAXES ON RELATED INCOME UNDER THE PROVISIONS OF SECTION 501(A) OF THE INTERNAL REVENUE CODE AS AN ENTITY DESCRIBED UNDER 501(C)(3). THE LEGAL CENTER IS, HOWEVER, SUBJECT TO FEDERAL AND STATE INCOME TAX ON UNRELATED BUSINESS INCOME. THE LEGAL CENTER DID NOT HAVE ANY MATERIAL UNRELATED BUSINESS INCOME TAX LIABILITY FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011; NOR DID THE LEGAL CENTER HAVE ANY SIGNIFICANT UNCERTAIN TAX POSITIONS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Supplemental Information Regarding
Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

NFIB SMALL BUSINESS LEGAL CENTER

Employer identification number

62-1570449

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- | | |
|--|--|
| a <input checked="" type="checkbox"/> Mail solicitations | e <input type="checkbox"/> Solicitation of non-government grants |
| b <input checked="" type="checkbox"/> Internet and email solicitations | f <input type="checkbox"/> Solicitation of government grants |
| c <input checked="" type="checkbox"/> Phone solicitations | g <input type="checkbox"/> Special fundraising events |
| d <input checked="" type="checkbox"/> In-person solicitations | |

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☒ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1 NATIONAL CAPITAL TELESERVICES, LLC	TELE MARKETING		X	39,715.	37,249.	2,466.
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total				39,715.	37,249.	2,466.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN,
IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH,
OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY,

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		(event type)	(event type)	(total number)	(add col. (a) through col. (c))
Revenue	1 Gross receipts				
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary. Add lines 4 through 9 in column (d)				
11 Net income summary. Combine line 3, column (d), and line 10					

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))	
Revenue	1 Gross revenue					
Direct Expenses	2 Cash prizes					
	3 Noncash prizes					
	4 Rent/facility costs					
	5 Other direct expenses					
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No		
	7 Direct expense summary. Add lines 2 through 5 in column (d)					()
	8 Net gaming income summary. Combine line 1, column d, and line 7					

9 Enter the state(s) in which the organization operates gaming activities:

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

- 11** Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity operated in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____
- c** If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Name of the organization

NFIB SMALL BUSINESS LEGAL CENTER

Employer identification number

62-1570449

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input checked="" type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	X	
2		X
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2012

Schedule J (Form 990) 2012

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 DONALD A. DANNER PRESIDENT/CEO	(i) 523,878. (ii) 0 (iii) 0	(i) 180,250. (ii) 0 (iii) 0	(i) 46,498. (ii) 0 (iii) 0	(i) 11,575. (ii) 0 (iii) 0	(i) 18,214. (ii) 0 (iii) 0	(i) 780,415. (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
2 MARY BLASINSKY SVP/SECRETARY	(i) 219,106. (ii) 0 (iii) 0	(i) 75,740. (ii) 0 (iii) 0	(i) 13,938. (ii) 0 (iii) 0	(i) 14,900. (ii) 0 (iii) 0	(i) 18,867. (ii) 0 (iii) 0	(i) 342,551. (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
3 TAMMY S. BOEHMS SVP/CFO	(i) 285,594. (ii) 0 (iii) 0	(i) 97,528. (ii) 0 (iii) 0	(i) 10,231. (ii) 0 (iii) 0	(i) 11,538. (ii) 0 (iii) 0	(i) 11,891. (ii) 0 (iii) 0	(i) 416,782. (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
4 JEFF SMITH TREASURER	(i) 154,323. (ii) 0 (iii) 0	(i) 28,019. (ii) 0 (iii) 0	(i) 1,796. (ii) 0 (iii) 0	(i) 9,164. (ii) 0 (iii) 0	(i) 8,772. (ii) 0 (iii) 0	(i) 202,074. (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
5 SUSAN M ECKERLY SVP	(i) 240,015. (ii) 0 (iii) 0	(i) 82,915. (ii) 0 (iii) 0	(i) 3,942. (ii) 0 (iii) 0	(i) 11,332. (ii) 0 (iii) 0	(i) 18,692. (ii) 0 (iii) 0	(i) 356,896. (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
6 KAREN R HARNED EXECUTIVE DIRECTOR	(i) 189,736. (ii) 0 (iii) 0	(i) 28,800. (ii) 0 (iii) 0	(i) 2,051. (ii) 0 (iii) 0	(i) 2,266. (ii) 0 (iii) 0	(i) 14,549. (ii) 0 (iii) 0	(i) 237,402. (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
7 BETH MILITO SENIOR EXECUTIVE COUNSEL	(i) 160,342. (ii) 0 (iii) 0	(i) 14,906. (ii) 0 (iii) 0	(i) 2,027. (ii) 0 (iii) 0	(i) 6,179. (ii) 0 (iii) 0	(i) 924. (ii) 0 (iii) 0	(i) 184,378. (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
8	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
9	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
10	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
11	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
12	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
13	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
14	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
15	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0
16	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0

Schedule J (Form 990) 2012

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

DISCRETIONARY SPENDING ACCOUNT

SCHEDULE J, PART I, LINE 1

THE EXECUTIVE DIRECTOR AND SENIOR EXECUTIVE COUNSEL OF THE COMPANY

RECEIVE CELLULAR PHONE/DATA SERVICE ALLOWANCE. IN COMPLIANCE WITH IRS

CODE SECTION 132, THESE FRINGE BENEFITS ARE TREATED AS TAXABLE SALARY,

SUBJECT TO WITHHOLDING, ON THE EMPLOYEE'S W-2.

COMPENSATION ESTABLISHED BY RELATED ORGANIZATION

SCHEDULE J, PART I, LINE 3

NFIB SMALL BUSINESS LEGAL CENTER RELIES ON THE NATIONAL

FEDERATION OF INDEPENDENT BUSINESS, INC., A RELATED ORGANIZATION, TO

ESTABLISH THE CEO/EXECUTIVE DIRECTOR'S COMPENSATION. NATIONAL FEDERATION

OF INDEPENDENT BUSINESS, INC. USES ONE OR MORE OF THE METHODS DESCRIBED

ON SCHEDULE J, LINE 3 TO ESTABLISH THE CEO/EXECUTIVE DIRECTOR'S

COMPENSATION.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN**SCHEDULE J, LINE 4B**

THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS, INC. PROVIDES SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS (SERPS). THESE NONQUALIFIED PLANS COVER CERTAIN KEY MANAGEMENT AND EXECUTIVE PERSONNEL. PARTICIPATION IN ALL SERPS HAS BEEN FROZEN AND FUTURE BENEFIT ACCRUALS FOR THE PLANS HAVE CEASED. NO PAYMENTS WERE MADE TO ANY SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN IN 2012.

INCENTIVE COMPENSATION PLAN**SCHEDULE J, LINE 7**

THE EXECUTIVE DIRECTOR AND SENIOR EXECUTIVE COUNSEL OF NFIB SMALL BUSINESS LEGAL CENTER PARTICIPATE IN AN INCENTIVE COMPENSATION PLAN WITH A PORTION OF THE INCENTIVE BASED ON MANAGEMENT'S REVIEW OF THEIR PERFORMANCE DURING THE YEAR.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2012

**Open to Public
Inspection**

NFIB SMALL BUSINESS LEGAL CENTER

Employer identification number

62-1570449

VOLUNTEERS

FORM 990, PART I, LINE 6

IN 2012, THE NFIB SMALL BUSINESS LEGAL CENTER USED THE SERVICES OF TWENTY
VOLUNTEERS. THE LEGAL CENTER HAS A FOURTEEN MEMBER ADVISORY BOARD
CONSISTING OF PRO BONO ATTORNEYS ADVISING THE LEGAL CENTER OF WHICH CASES
TO GET INVOLVED IN HELPING SMALL BUSINESSES. THE LEGAL CENTER ALSO HAD
SIX PRO BONO ATTORNEYS WRITE LEGAL BRIEFS FOR THE CENTER.

SUMMARY OF LEGAL CASES FOR 2012

FORM 990, PART III, LINE 4A

APAC-TENNESSEE, INC. V. BRYANT - LIMITING NONECONOMIC DAMAGE AWARDS

MISSISSIPPI SUPREME COURT

APAC-TENNESSEE, INC. V. BRYANT CONCERNS THE CONSTITUTIONALITY OF THE
MISSISSIPPI'S \$1 MILLION LIMIT ON NONECONOMIC DAMAGES IN GENERAL CIVIL
ACTIONS. NFIB SUPPORTS THE LIMIT ON NONECONOMIC DAMAGES IN THESE TYPES
OF CASES. THIS IS THE SECOND APPEAL PENDING BEFORE THE MISSISSIPPI
SUPREME COURT INVOLVING THE CONSTITUTIONALITY OF THE CAP.

STATUS: PENDING. AMICUS BRIEF FILED.

ARKANSAS GAME & FISH COMM. V. US - PROPERTY RIGHTS

U.S. SUPREME COURT

THE CASE WILL DECIDE WHETHER OR NOT PROPERTY OWNERS CAN BE COMPENSATED

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UNDER THE FIFTH AMENDMENT FOR DAMAGES CAUSED TO THEIR PROPERTY AS THE
RESULT OF TEMPORARY GOVERNMENT INVASIONS (I.E. FLOODING, ETC.).
HISTORICALLY, PROPERTY OWNERS FACE SIGNIFICANT LEGAL HURDLES WHEN SEEKING
COMPENSATION FOR PROPERTY DAMAGE CAUSED BY SHORT-TERM GOVERNMENT POLICIES
AND PROJECTS.

STATUS: PENDING. AMICUS BRIEF FILED 7/3/12.

AUTOMOTIVE UNITED TRADES ORGANIZATION (AUTO) V. WASHINGTON - GAS TAX
CHALLENGE

WASHINGTON SUPREME COURT VICTORY!

GAS STATION OWNERS ARE SUING WASHINGTON FOR \$90 MILLION IN FUEL TAX FUNDS
THAT THEY SAY HAS BEEN UNLAWFULLY PAID TO INDIAN TRIBES. AUTO SEEKS TO
STOP THE STATE FROM PAYING THE TRIBES REFUND ON THE GAS TAX BECAUSE THE
TRIBES DID NOT PAY THE TAXES WHICH THE STATE IS ISSUING REFUNDS. THE TAX
REFUNDS PERMIT TRIBAL GAS STATIONS TO SELL FUEL AT A MUCH LOWER PRICE
(AROUND 5 CENTS PER GALLON LESS). MIXED IN WITH THIS IS A DIFFICULT
PROCEDURAL ISSUE WHERE THE COUNTY JUDGE DISMISSED THE CASE SINCE TRIBES
CANNOT BE SUED IN STATE OR FEDERAL COURT. HOWEVER, AUTO ARGUES THAT THE
TRIBES ARE INDISPENSABLE PARTIES TO THE SUIT WHERE THE SUIT CANNOT BE
LITIGATED FAIRLY AND COMPLETELY IN THEIR ABSENCE.

STATUS: DECIDED. AMICUS BRIEF FILED 7/5/11. COURT GRANTED REVIEW 9/8/11.

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COURT RULED IN FAVOR OF PETITIONERS ON 8/30/12.

BANKHEAD V. ARVINMERITOR - DEFENDING LIMITS ON PUNITIVE DAMAGES

CALIFORNIA SUPREME COURT

THIS DECISION ADDS TO THE DISARRAY IN CALIFORNIA COURTS AS TO HOW TO ASSESS A COMPANY'S FINANCIAL HEALTH IN ASSESSING A PUNITIVE DAMAGES AMOUNT. PLAINTIFFS ATTEMPT TO INFLATE A COMPANY'S ASSETS AND WORTH AND DIMINISH ITS LIABILITY TO SUPPORT A HIGHER PUNITIVE AWARD. WITH THIS OPINION, PLAINTIFF ATTORNEYS WOULD UNDERMINE THE NET WORTH OF A COMPANY WHEN IT SUITS THEM AND ENGAGE IN ATTEMPTS TO PRESENT EVIDENCE OF HOW MUCH THE CEO AND OTHER EXECUTIVES GET PAID, HOW MUCH OF CREDIT LINE A COMPANY HAS, AND OTHER EVIDENCE OF ASSETS WITHOUT CORRESPONDING DEFERENCE TO LIABILITIES.

STATUS: DECIDED. AMICUS LETTER BRIEF FILED 6/4/12. COURT DECLINED REQUEST TO REVIEW PUNITIVE DAMAGE AWARD.

BARABIN V. ASTENJOHNSON - ANY ASBESTOS EXPOSURE TOO SPECULATIVE TO HOLD DEFENDANT LIABLE

U.S. COURT OF APPEALS FOR THE NINTH CIRCUIT VICTORY!

PLAINTIFF BARABIN ARGUES THAT HE CAN SUE AND WIN BASED ON "ANY EXPOSURE" TO ASBESTOS NO MATTER HOW MINUTE. HERE, PLAINTIFF WAS EXPOSED TO ASBESTOS IN 1974 WHEN HE CAME INTO CONTACT WITH A PAPER MACHINE PART THAT

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CONTAINED TRACE AMOUNTS OF ASBESTOS, BUT HE IS UNABLE TO CONFIRM THAT
DEFENDANT MANUFACTURED THE PART.

STATUS: DECIDED. AMICUS BRIEF FILED 05/26/11. COURT VACATED JUDGMENT ON
11/16/12 AND ORDERED HEARING ON DAMAGES.

BRINKER V. SUPERIOR COURT - EXPANSION OF MANDATORY MEAL AND REST BREAK
CALIFORNIA SUPREME COURT VICTORY!
VOIDING A TRIAL COURT'S 2006 DECISION THAT AN ESTIMATED 59,000 TO 63,000
CURRENT AND FORMER EMPLOYEES COULD JOIN A LAWSUIT AGAINST THE
DALLAS-BASED COMPANY, THE CALIFORNIA 4TH DISTRICT COURT OF APPEAL RULED
THAT EMPLOYER BRINKER ONLY HAD TO "MAKE AVAILABLE" MEAL AND REST BREAKS
TO ITS WORKERS, NOT TO "ENSURE" THE BREAKS WERE TAKEN. THE APPELLATE
COURT RULED THAT EMPLOYERS NEED ONLY MAKE MEAL BREAKS AVAILABLE TO
EMPLOYEES; IF THE EMPLOYEE FOR SOME REASON DOESN'T WANT TO TAKE IT OR
VOLUNTARILY WORKS THROUGH IT, THE EMPLOYER CANNOT BE PENALIZED. THE
EMPLOYEES HAVE APPEALED THE DECISION TO THE STATE SUPREME COURT.

STATUS: DECIDED. AMICUS BRIEF FILED ON 8/19/09. COURT RULED IN FAVOR OF
BRINKER ON APRIL 12, 2012.

CCA ASSOCIATES V. UNITED STATES - REGULATORY TAKING
U.S. SUPREME COURT CERT PETITION

THE COURT IS BEING ASKED TO DECIDE WHETHER THE UNITED STATES OWES JUST

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COMPENSATION BECAUSE IT PROHIBITED A SMALL BUSINESS FROM REDEVELOPING A RENTAL PROPERTY OVER THE COURSE OF AN EIGHT YEAR PERIOD, DURING WHICH TIME THE BUSINESS LOST OVER \$700,000 IN NET INCOME. SMALL BUSINESSES ALL ACROSS THE COUNTRY FACE AN UPHILL BATTLE IN SEEKING COMPENSATION FOR GOVERNMENT REGULATIONS WHICH TAKE AWAY THE VALUE OF THEIR PROPERTIES. THE EXISTING TAKINGS TEST IS HIGHLY UNPREDICTABLE. THIS CASE PRESENTS AN OPPORTUNITY TO ENCOURAGE THE SUPREME COURT TO RETOOL THE TAKINGS TEST IN A WAY THAT IS FAIR TO LANDOWNERS.

STATUS: PETITION FOR CERTIORARI DENIED ON 10/9/12.

CHRISTOPHER V. SMITHKLINE BEECHAM - WAGE AND HOUR (FLSA)

SUPREME COURT OF UNITED STATES

THE CASE CENTERS AROUND THE FAIR LABOR STANDARDS ACT, WHICH STATES EMPLOYERS ARE EXEMPT FROM PAYING OVERTIME TO "OUTSIDE SALESMEN." THE DEPARTMENT OF LABOR'S WAGE AND HOUR DIVISION IS RE-INTERPRETING THE LAW TO COMPEL THE RESPONDENT, GLAXOSMITHKLINE TO PAY OVERTIME TO THE PETITIONERS, WHOM THE EMPLOYER CONSIDERED "OUTSIDE SALESMEN" FOR THE PHARMACEUTICAL COMPANY. IF THE PETITIONER IS SUCCESSFUL, IT WOULD GIVE BROAD POWER TO THE DEPARTMENT OF LABOR TO MAKE RULES BY RE-INTERPRETING STATUTE, AND WOULD COMPEL SMALL BUSINESSES TO PAY OVERTIME TO OUTSIDE SALESMEN, CONTRARY TO THE FAIR LABOR STANDARDS ACT.

STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF SMITHKLINE ON 3/27/12;

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ORAL ARGUMENTS OCCURRED ON 4/16/12

CHERRY V. SHAW COASTAL - LABOR & EMPLOYMENT AND TITLE VII

U.S. FIFTH CIRCUIT COURT OF APPEALS

THE DISTRICT COURT DISMISSED PLAINTIFF'S LAWSUIT BROUGHT UNDER TITLE VII CLAIMING A SAME-SEX HOSTILE WORK ENVIRONMENT. WHILE NFIB CONCEDES THE EMPLOYEE ACCUSED OF CREATING THE HOSTILE ENVIRONMENT WAS APPROPRIATELY TERMINATED AND THAT HIS CONDUCT WAS RUDE AND OBNOXIOUS, NFIB BELIEVES HIS CONDUCT DOES NOT REPRESENT AN ACTIONABLE LEGAL CLAIM UNDER TITLE VII. NFIB URGED THE FIFTH CIRCUIT TO REINFORCE THE WELL-SETTLED PRINCIPLE THAT TITLE VII IS NOT A GENERAL CIVILITY CODE. CONDUCT MUST BE SEVERE OR PERSUASIVE TO BE ACTIONABLE.

STATUS: PENDING. AMICUS BRIEF FILED 6/22/11.

CITY OF ARLINGTON, TEXAS V. FCC - REGULATORY

U.S. SUPREME COURT

THE COURT HAS BEEN ASKED TO DECIDE WHETHER, CONTRARY TO THE DECISIONS OF AT LEAST TWO OTHER CIRCUITS, A COURT SHOULD APPLY CHEVRON TO REVIEW AN AGENCY'S DETERMINATION OF ITS OWN JURISDICTION.

STATUS: PENDING. AMICUS BRIEF FILED 11/26/12. ORAL ARGUMENT SET FOR 1/16/13.

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COLE V. HARVEYLAND - STATE EMPLOYMENT LAW EXEMPTION FOR SMALL BUSINESS
WASHINGTON COURT OF APPEALS

THE ISSUE IS WHETHER WASHINGTON COURTS HAVE JURISDICTION TO HEAR
EMPLOYMENT DISCRIMINATION SUITS AGAINST EMPLOYERS WITH FEWER THAN EIGHT
EMPLOYEES. THE WASHINGTON LAW AGAINST DISCRIMINATION SAYS THAT SMALL
EMPLOYERS ARE EXEMPT FROM THE LAW. THE COURT WILL DETERMINE WHETHER THE
EXEMPTION OPERATES AS A JURISDICTIONAL BAR.

STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF EMPLOYER ON 11/1/10.

COLEMAN V. SOCCER ASSOCIATION OF MARYLAND - DEFENDING CONTRIBUTORY
NEGLIGENCE
MARYLAND COURT OF APPEALS

THE PLAINTIFF, A VOLUNTEER SOCCER COACH IN COLUMBIA, MD., WAS HORSING
AROUND AND JUMPED UP TO HANG ONTO THE CROSSBAR OF A SOCCER GOAL. THE
GOAL TIPPED OVER AND INJURED HIM. THE JURY FOUND THAT HE WAS AT LEAST
PARTIALLY RESPONSIBLE FOR HIS OWN HARM, BARRING HIM FROM ANY RECOVERY
UNDER MD. LAW. FOR YEARS, PLAINTIFFS HAVE TRIED UNSUCCESSFULLY TO GET
THE LEGISLATURE TO MOVE TO A COMPARATIVE FAULT SYSTEM, SO NOW THEY ARE
TURNING TO THE COURT TO GET A CHANGE IN THE LAW. MARYLAND IS ONE OF A
HANDFUL OF STATES THAT STILL PERMIT CONTRIBUTORY NEGLIGENCE AS A COMPLETE
BAR TO A PLAINTIFF'S RECOVERY.

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STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF DEFENDANT 7/10/12.

COLONY COVE V. CITY OF CARSON - PROPERTY RIGHTS AND JUDICIAL REVIEW

U.S. SUPREME COURT - CERT. PETITION

NFIB JOINED A PETITION THAT URGED THE SUPREME COURT TO OVERTURN PRECEDENT REQUIRING PROPERTY OWNERS TO RIPEN THEIR CLAIMS FOR JUST COMPENSATION IN STATE COURT AS A PREREQUISITE FOR A CLAIM UNDER 42 U.S.C. § 1983. THE BRIEF WOULD DISCUSS THE TENSION BETWEEN THE INTENT OF § 1983 AND THE SUBSEQUENT MIX OF STATUTE AND PRECEDENT THAT EFFECTIVELY BLOCKS PROPERTY OWNERS FROM A HEARING IN FEDERAL COURT.

STATUS: PENDING. AMICUS BRIEF FILED 9/14/11.

SUMMARY OF LEGAL CASES FOR 2012 (CONT.)

COMER V. MURPHY OIL USA (2010) - LIABILITY FOR GREENHOUSE GAS EMISSIONS
& COMER V. MURPHY OIL USA II (2012)

U.S. COURT OF APPEALS FOR THE FIFTH CIRCUIT

MISSISSIPPI RESIDENT NED COMER IS THE LEAD PLAINTIFF IN THIS CLASS ACTION LAWSUIT DEMANDING MAJOR DAMAGE PAYMENTS FROM A HOST OF ENERGY COMPANIES ON THE THEORY THAT THE COMPANIES' CARBON EMISSIONS CONTRIBUTED TO GLOBAL WARMING, WHICH IN TURN SUPPOSEDLY CAUSED A STRENGTHENING OF HURRICANE KATRINA, WHICH DAMAGED THEIR PROPERTIES IN 2005. THE DISTRICT COURT DISMISSED THE SUIT.

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STATUS: PENDING. AMICUS BRIEF FILED 5/7/10. THE APPEAL IS DISMISSED
BECAUSE ANOTHER JUDGE RECUSED HIMSELF, DEPRIVING THE EN BANC COURT OF THE
QUORUM TO HEAR THE CASE. CASE PRESENTED TO THE 5TH CIRCUIT AGAIN IN 2012.
AMICUS BRIEF FILED 9/29/12.

CORTEZ V. NACCO - WORKERS' COMPENSATION
OREGON SUPREME COURT

THE OREGON COURT OF APPEALS RULED THAT WORKERS' COMP NEED NOT BE THE
"EXCLUSIVE REMEDY" FOR INJURED WORKERS. THE RULING SIGNIFICANTLY UNDERCUT
LIABILITY PROTECTIONS FOR LLC OWNERS AND MEMBERS. NACCO PETITIONED THE
OREGON SUPREME COURT FOR REVIEW OF THE CASE. NFIB SUPPORTED THE
PETITIONERS AT BOTH THE CERT AND MERITS STAGES.

STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF PETITION FOR REVIEW ON
8/3/12. AMICUS BRIEF FILED ON THE MERITS ON 2/5/13.

CTIA V. CITY OF SAN FRANCISCO - REGULATORY
U.S. COURT OF APPEALS FOR THE NINTH CIRCUIT

SAN FRANCISCO'S CELL PHONE "RIGHT TO KNOW ORDINANCE" IMPOSES A WARNING
OBLIGATION ON RETAILERS OF CELL PHONES WITHIN THE CITY. THE ORDINANCE
REQUIRES RETAILERS TO PUT UP POSTERS IN THEIR STORES, ATTACH STICKERS TO
THEIR CELL PHONE DISPLAYS, AND DISTRIBUTE "FACTSHEETS," ALL OF WHICH ARE
DESIGNED BY THE CITY TO ADVISE CONSUMERS ABOUT THE SUPPOSED RISKS AND

Name of the organization

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STEPS CONSUMERS CAN TAKE TO AVOID THEM. ON OCTOBER 27, A FEDERAL DISTRICT COURT ENJOINED THE ORDINANCE. THE CASE PRESENTS SIGNIFICANT FIRST AMENDMENT CONCERNS STEMMING FROM THE FACT THAT GOVERNMENTS MAY START REQUIRING BUSINESSES OF ALL SIZES TO MAKE HEALTH DISCLOSURES BASED ON NOTHING BUT THE POSSIBILITY OF HARM TO CONSUMERS. SUCH REGULATIONS WOULD NO DOUBT IMPOSE SUBSTANTIAL BURDENS ON THE SMALL BUSINESS COMMUNITY.

STATUS: DECIDED. AMICUS BRIEF FILED IN SUPPORT OF CTIA ON 2/1/12. THE APPELLATE COURT STRUCK DOWN THE WARNING ON 9/10/12.

DEFENDERS OF WILDLIFE V. EPA - LEGAL REFORM
D.C. CIRCUIT COURT OF APPEAL

IN RECENT YEARS ENVIRONMENTAL GROUPS HAVE INCREASINGLY SOUGHT TO INFLUENCE PUBLIC POLICY BY BRINGING LAWSUITS AGAINST FEDERAL AGENCIES AND THEN OFFERING SETTLEMENT AGREEMENTS. THESE "SUE-AND-SETTLE" TACTICS ARE CONCERNING BECAUSE IT ALLOWS IDEOLOGICALLY DRIVEN ORGANIZATIONS TO HOLD PRIVATE NEGOTIATIONS WITH FEDERAL AGENCIES AND TO THEN INFLUENCE PUBLIC POLICY DECISIONS. THIS ISSUE IS OF CONCERN TO SMALL BUSINESS BECAUSE BUSINESS OWNERS ARE OFTEN IMPACTED BY THESE FORCED POLICY DECISIONS.

IN THIS CASE, ENVIRONMENTALISTS FILED SUIT AGAINST THE ENVIRONMENTAL PROTECTION AGENCY (EPA) AND IMMEDIATELY OFFERED A SETTLEMENT AGREEMENT, WHICH WOULD BIND THE EPA TO A SCHEDULE FOR PROMULGATING ELECTRIC EFFLUENT

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LIMITATION GUIDELINES. SINCE THIS WOULD IMPACT THE ELECTRIC UTILITIES INDUSTRY, THE UTILITY WATER ACT GROUP (UWAG) SOUGHT TO INTERVENE TO OPPOSE THE TERMS OF THE SETTLEMENT. DESPITE THE FACT THAT THE FEDERAL RULES OF CIVIL PROCEDURE REQUIRE ONLY THAT AN INTERVENER HAVE AN INTEREST IN THE CASE, THE DISTRICT COURT DENIED UWAG'S MOTION FOR INTERVENTION. THE COURT HELD THAT UWAG NEEDED TO DEMONSTRATE THAT IT HAD SUFFERED AN ACTUAL INJURY BEFORE IT COULD BE ALLOWED TO INTERVENE.

ON APPEAL, THE NFIB LEGAL CENTER JOINED WITH THE NATIONAL ASSOCIATION OF HOME BUILDERS IN FILING AN AMICUS BRIEF IN SUPPORT OF UWAG. WE URGED THE D.C. CIRCUIT COURT OF APPEAL TO HOLD THAT THE DISTRICT COURT ERRED IN DENYING THE MOTION TO INTERVENE. WE ARGUED THAT THE D.C. CIRCUIT SHOULD SIDE WITH THE MAJORITY OF OTHER FEDERAL CIRCUITS IN REJECTING ANY HEIGHTENED REQUIREMENT BEYOND WHAT THE FEDERAL RULES OF CIVIL PROCEDURE REQUIRE. FURTHERMORE, WE EXPLAINED THAT THE COURT WOULD BENEFIT FROM INTERVENTION IN THIS CASE BECAUSE UWAG COULD OFFER IMPORTANT PERSPECTIVE FROM THE REGULATED COMMUNITY ON THE IMPACT OF SETTLEMENT, WHICH IS PARTICULARLY IMPORTANT GIVEN THAT THE PROPOSED SETTLEMENT WILL AFFECT THE BROADER PUBLIC.

STATUS: AMICUS BRIEF IN SUPPORT OF INTERVENER-MOTION FILED ON 08/01/12.

DEPARTMENT OF REVENUE V. COX INTERIOR, INC. - STATUTE OF LIMITATIONS FOR TAX REFUND
KENTUCKY SUPREME COURT

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KENTUCKY HAS ARGUED THAT FAILURE TO PROTEST A TAX AT THE TIME OF PAYMENT
BARS A BUSINESS TAXPAYER FROM LATER OBTAINING A REFUND OF OVERPAID
TAXES.

STATUS: PENDING. AMICUS BRIEF FILED ON 1/27/12.

DOWNING/SALT POND V. RHODE ISLAND - CHALLENGING STATE TAKING IN FEDERAL
COURT
U.S. SUPREME COURT - CERT. PETITION

NFIB JOINED A PETITION THAT URGED THE SUPREME COURT TO OVERTURN PRECEDENT
REQUIRING PROPERTY OWNERS TO RIPEN THEIR CLAIMS FOR JUST COMPENSATION IN
STATE COURT AS A PREREQUISITE FOR A CLAIM UNDER 42 U.S.C. § 1983. THE
BRIEF WOULD DISCUSS THE TENSION BETWEEN THE INTENT OF § 1983 AND THE
SUBSEQUENT MIX OF STATUTE AND PRECEDENT THAT EFFECTIVELY BLOCKS PROPERTY
OWNERS FROM A HEARING IN FEDERAL COURT. (RELATED CASE COLONY COVE).

STATUS: PENDING. AMICUS BRIEF FILED 9/23/11.

DR HORTON - EMPLOYMENT ARBITRATION AGREEMENTS
U.S. COURT OF APPEALS FOR THE FIFTH CIRCUIT

IN LIGHT OF THE COSTS AND TIME ASSOCIATED WITH HANDLING LEGAL DISPUTES IN
THE COURTS, MANY BUSINESSES ARE INCREASINGLY TURNING TO ARBITRATION AS A

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COST-EFFECTIVE ALTERNATIVE FOR DISPUTE RESOLUTION. IN THIS CASE DR HORTON
REQUIRED THAT EMPLOYEES BRING DISPUTES TO ARBITRATION. THE NATIONAL LABOR
RELATIONS BOARD RULED THAT THOSE AGREEMENTS ARE UNENFORCEABLE.

STATUS: PENDING. AMICUS BRIEF FILED ON 6/5/12.

EEOC V. CRST VAN EXPEDITED - ATTORNEY FEES ASSESSED AGAINST EEOC
U.S. COURT OF APPEALS FOR THE 8TH CIRCUIT
THE EEOC FILED A SERIES OF CLAIMS AGAINST TRUCKING COMPANY CRST VAN
EXPEDITED, ALLEGING SEXUAL HARASSMENT OF FEMALE EMPLOYEES. THE DISTRICT
COURT DISMISSED THE CASE, FINDING THE EEOC HAD FAILED TO INVESTIGATE AND
CONSOLIDATE INDIVIDUAL CLAIMS PRIOR TO BRINGING THE TITLE VII LAWSUIT.
THE JUDGE DID NOT APPRECIATE THE EEOC'S LITIGATION STRATEGY OF 'SUE
FIRST, ASK QUESTIONS LATER' AND ISSUED AN ORDER REQUIRING THE EEOC TO PAY
MORE THAN \$4.5 MILLION DOLLARS IN COSTS AND ATTORNEYS FEES TO THE
TRUCKING COMPANY.

STATUS: DECIDED. AMICUS BRIEF FILED IN SUPPORT OF DEFENDANT ON 9/7/10.
COURT VACATED ATTORNEYS' FEES AWARD 2/22/12.

EEOC V. PEOPLEMARK - EEOC SUBPOENA POWER CHALLENGED
U.S. COURT OF APPEALS FOR THE SIXTH CIRCUIT

THE APPELLATE COURT WILL DETERMINE WHETHER DISMISSAL WITH PREJUDICE IS AN
APPROPRIATE REMEDY IN A TITLE VII ACTION BROUGHT BY THE EEOC WHERE THE
AGENCY FAILED TO CONDUCT ANY INVESTIGATION OF THE UNDERLYING INDIVIDUAL

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CLAIMS OR ENGAGE IN MEANINGFUL CONCILIATION PRIOR TO FILING SUIT. THE COURT WILL ALSO CONSIDER WHETHER THE EEOC BE ORDERED TO PAY THE DEFENDANT'S ATTORNEY'S FEES UNDER SUCH CIRCUMSTANCES. STATUS: PENDING. AMICUS BRIEF FILED 6/7/12.

EEOC V. TRICORE REFERENCE LABORATORIES - PROPERTY RIGHTS
US COURT OF APPEALS FOR THE 10TH CIRCUIT

EEOC FILED SUIT AGAINST TRICORE ALLEGING THAT THE COMPANY HAD FAILED TO MAKE REASONABLE ACCOMMODATIONS FOR A DISABLED EMPLOYEE; HOWEVER, THE AGENCY PRESSED FORWARD WITH ITS LAWSUIT KNOWING FULL WELL THAT THE EMPLOYEE COULD NOT PERFORM ESSENTIAL JOB FUNCTIONS, EVEN WITH REASONABLE ACCOMMODATIONS. ACCORDINGLY, EEOC FAILED TO MAKE A PRIMA FACIE CASE OF DISCRIMINATION, AND IN PURSUING THE MATTER KNOWING THAT IT COULD NOT DO SO, IT INCURRED LIABILITY FOR TRICORE'S ATTORNEYS' FEES. ON APPEAL, WE ARGUE AS AMICUS THAT THE DISTRICT COURT PROPERLY AWARDED ATTORNEY FEES TO TRICORE.

STATUS: DECIDED. CIRCUIT COURT UPHELD DISTRICT COURT ATTORNEYS' FEES ON 8/16/12.

ELKIN HILLS POWER V. CALIFORNIA - TAXATION OF INTANGIBLE PROPERTY
4TH APPELLATE DISTRICT

NFIB URGED THE APPELLATE COURT TO REVIEW A LOWER COURT DECISION THAT, IN

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VIOLATION OF THE CALIFORNIA CONSTITUTION, PERMITTED THE TAXATION OF
INTANGIBLE PROPERTY.

STATUS: PENDING. AMICUS LETTER FILED ON 8/4/11.

EXXONMOBIL V. NYC - CAUSATION IS ATTACKED BY DEFENDANT'S APPEAL
COURT OF APPEALS FOR THE SECOND CIRCUIT

EXXON HAS APPEALED ITS \$100 MILLION JURY VERDICT REGARDING MTBE. THE
AMICUS BRIEF FILED IN SUPPORT OF EXXON MAINTAINS THAT THE ENTIRE AWARD
WAS BASED ON HYPOTHETICAL DAMAGE THAT MIGHT OCCUR. THE BRIEF ARGUES THAT
AN AWARD BASED ON A "IF THIS THEN THAT" FUTURE INJURY VIOLATES BASIC TORT
PRINCIPLES OF CAUSATION AND COULD BE VERY PROBLEMATIC IN THE PRODUCT
LIABILITY ARENA.

STATUS: PENDING. AMICUS BRIEF FILED 4/28/11.

SUMMARY OF LEGAL CASES FOR 2012 (CONT.)

FEDERAL TRADE COMMISSION V. PHOEBE PUTNEY HEALTH SYSTEM - LEGAL REFORM
U.S. SUPREME COURT

THIS CASE RAISES THE QUESTION OF WHETHER FEDERAL ANTITRUST LAWS APPLY TO
STATE AND LOCAL GOVERNMENTS ENGAGED IN BUSINESS PRACTICES. HERE THE
DEFENDANT OPERATES UNDER A GRANT OF GENERAL CORPORATE POWER FROM A
GEORGIA STATE HOSPITAL AUTHORITY. THE FEDERAL TRADE COMMISSION ASSERTS
THAT THE DEFENDANT VIOLATED ANTITRUST LAWS, BUT THE DEFENDANT ARGUES THAT

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THOSE LAWS CANNOT APPLY TO IT BECAUSE IT IS A QUASI-GOVERNMENTAL ENTITY.

GENERALLY QUASI-GOVERNMENTAL ENTITIES, LIKE THE DEFENDANT IN THIS CASE, ARE DEEMED EXEMPT FROM ANTITRUST LAWS UNDER THE "STATE ACTION IMMUNITY DOCTRINE," SO LONG AS IT IS CLEAR THAT THEY ARE OPERATING IN THE FURTHERANCE OF A STATE POLICY, AND UNDER ACTIVE SUPERVISION FROM THE STATE. BUT, WE ARGUE THAT THERE CAN BE NO "STATE ACTION IMMUNITY" IN CASES LIKE THIS, WHEN THE QUASI-GOVERNMENTAL DEFENDANT IS UNQUESTIONABLY COMPETING WITH OTHER BUSINESSES IN THE MARKET. SMALL BUSINESSES ARE PUT AT A COMPETITIVE DISADVANTAGE WHEN TAXPAYER-FUNDED GOVERNMENT ACTORS OR QUASI-GOVERNMENTAL ENTITIES DIRECTLY COMPETE WITH PRIVATE BUSINESSES. NFIB BELIEVES THAT THE STATE ACTION IMMUNITY DOCTRINE ONLY APPLIES IF THE DEFENDANT ACTS TO ADVANCE LEGITIMATE REGULATORY POLICY, AS OPPOSED TO SOME POLICY OR PROGRAM DESIGNED SOLELY TO BENEFIT A PUBLIC ENTERPRISE.

STATUS: PENDING. AMICUS BRIEF FILED 8/27/12.

FORD MOTOR CO. V. BOOMER - LEGAL REFORM

VIRGINIA SUPREME COURT

THE CASE WILL DETERMINE WHETHER ASBESTOS PLAINTIFFS CAN SUCCEED WITH THE "ANY FIBER IS GOOD ENOUGH" THEORY OF CAUSATION THAT ALLOWS EVEN THE MOST REMOTE DEFENDANTS TO BE DRAGGED INTO THE LITIGATION. THE SUBJECT CASE, BROUGHT BY A PLAINTIFF NAMED BOOMER, RESULTED IN A VERDICT AGAINST FORD AND HONEYWELL.

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STATUS: DECIDED. AMICUS BRIEF FILED ON 7/3/12. COURT RULED IN FAVOR OF
DEFENDANTS ON 1/11/13.

GEORGIA-PACIFIC WEST V. NEDC - REGULATORY

U.S. SUPREME COURT

THIS CASE CONCERNS AMBIGUITY IN THE CLEAN WATER ACT. SPECIFICALLY, IT IS
UNCLEAR WHETHER THE CWA WAS INTENDED TO REQUIRE TIMBER HARVESTING
COMPANIES TO OBTAIN NPDES PERMITS TO CONTROL STORMWATER FLOWS FROM FOREST
ROADS. WE FILED AN AMICUS BRIEF TO ARGUE THAT EPA'S LONG-STANDING
INTERPRETATIONS-EXEMPTING TIMBER BUSINESSES FROM THE NPDES PERMIT
REGIME-SHOULD BE AFFORDED DEFERENCE BECAUSE EPA'S INTERPRETATION
PRESERVES THE PRINCIPLES OF FEDERALISM ENTAILED IN THE NINTH AND TENTH
AMENDMENTS.

STATUS: PENDING. FILED IN SUPPORT OF PETITIONER 9/04/12.

GENESIS HEALTHCARE AND ELDERCARE RESOURCES - WAGE AND HOUR (FLSA)

SUPREME COURT OF UNITED STATES

NFIB FILED AN AMICUS IN SUPPORT OF PETITIONERS OVER WHETHER AN EMPLOYER,
HIT WITH A PROPOSED COLLECTIVE ACTION UNDER THE FLSA, CAN MOOT A CLAIM BY
MAKING AN OFFER OF JUDGMENT (UNDER FRCP 68) BEFORE OTHER WORKERS HAVE THE
CHANCE TO "OPT IN."

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STATUS: PENDING. FILED IN SUPPORT OF PETITIONER'S CERT PETITION ON
3/21/12. FILED IN SUPPORT OF PETITIONER'S MERITS BRIEF ON 9/6/12.

GREATER ORLANDO CHAMBER OF COMMERCE V. ORANGE CO. - LABOR & EMPLOYMENT
CIRCUIT COURT OF THE 9TH JUDICIAL DISTRICT

NFIB MOVED TO INTERVENE IN THE ORLANDO CHAMBER OF COMMERCE'S SUIT
CHALLENGING A BALLOT INITIATIVE THAT WOULD HAVE REQUIRED EMPLOYERS TO
OFFER PAID SICK LEAVE. SUBSEQUENT TO THE LAWSUIT TO ENJOIN THE
INITIATIVE, THE LOCAL LEGISLATORS WITHDREW THE PROPOSAL.

STATUS: DECIDED. INITIATIVE WAS WITHDRAWN BY LAWMAKERS.

HARRIS V. QUINN - FORCED UNIONIZATION OF IL HEALTHCARE PROVIDERS
U.S. SUPREME COURT - CERT PETITION

THE STATE OF ILLINOIS OPERATES MEDICAID-WAIVER PROGRAMS THAT PAY FOR
IN-HOME PERSONAL CARE FOR DISABLED INDIVIDUALS. THE INDIVIDUAL
"PROVIDERS" ARE SELECTED AND EMPLOYED BY THE PERSONS WITH DISABILITIES OR
THEIR GUARDIANS AND ARE OFTEN RELATIVES OF THE DISABLED PERSONS. ILLINOIS
IS COMPELLING THESE PROVIDERS TO FINANCIALLY SUPPORT THE SEIU AS THEIR
EXCLUSIVE REPRESENTATIVE FOR BARGAINING WITH THE STATE OVER ITS MEDICAID
REIMBURSEMENT RATES AND BENEFITS FOR PERSONAL CARE.

PLAINTIFFS ARE PROVIDERS WHO ASSERT THAT BY COMPELLING THEM TO ASSOCIATE

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WITH AN ORGANIZATION TO PETITION THE STATE FOR MORE BENEFITS, THE STATE IS VIOLATING THEIR RIGHTS TO FREE EXPRESSIVE ASSOCIATION UNDER THE FIRST AMENDMENT.

STATUS: PENDING. AMICUS BRIEF FILED ON BEHALF OF NRTW 1/2/12.

HORNE V. USDA - PROPERTY RIGHTS

U.S. SUPREME COURT - CERT PETITION AND MERITS

UNDER THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937, RAISIN FARMERS MUST TURN OVER A SUBSTANTIAL PORTION OF THEIR CROP (SOMETIMES REACHING PERCENTAGES AS HIGH AS 30 OR 47 PERCENT OF THE ANNUAL CROP) FOR BELOW-MARKET OR NO COMPENSATION IN EXCHANGE FOR THE "PRIVILEGE" OF SELLING THE REMAINDER ON THE OPEN MARKET. THE NINTH CIRCUIT DENIED FARMERS THE RIGHT TO APPROPRIATELY CONTEST MONETARY FINES IMPOSED ON THE FARMERS WHO ALLEGEDLY FAILED TO COMPLY WITH THE SET-ASIDE.

STATUS: PENDING. AMICUS BRIEF FILED 8/27/12. COURT GRANTED CERT AND MERITS BRIEF FILED 1/16/13.

HOWARD V. A.W. CHESTERTON, INC. - LEGAL REFORM

PENNSYLVANIA SUPREME COURT

THE CASE INVOLVES A KEY ISSUE IN ASBESTOS LITIGATION TODAY - THE "ANY EXPOSURE" THEORY OF CAUSATION. THE PA SUPERIOR COURT AUTHORED ONE OF THE MORE THOUGHTFUL OPINIONS EXPLAINING WHY THIS THEORY BEING PROMOTED BY PAID EXPERTS FOR PLAINTIFFS IS "JUNK SCIENCE." PA LOWER COURTS ARE NOW

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TRYING TO UNDERMINE THIS DECISION.

STATUS: PENDING. AMICUS BRIEF FILED 12/17/12

INDUSTRIAL COMM'N OF ARIZONA V. MARTIN - WORKERS' COMPENSATION

SUPERIOR COURT OF ARIZONA

ARIZONA COURT OF APPEALS

NFIB HAS JOINED THE FIGHT AGAINST THE STATE OF ARIZONA'S UNCONSTITUTIONAL TAKING OF FUNDS FROM THE STATE'S WORKERS' COMPENSATION FUND. ON JANUARY 31, 2009 ARIZONA GOVERNOR JAN BREWER SIGNED SB 1001, WHICH SWEEPS OVER \$4 MILLION FROM THE STATE'S SPECIAL FUND OF THE INDUSTRIAL COMMISSION, THE FUND ESTABLISHED BY ARIZONA'S WORKERS' COMPENSATION STATUTE TO ENSURE INJURED WORKERS RECEIVE BENEFITS MAINLY IN CASES WHERE THE EMPLOYER IS UNINSURED OR THE INSURANCE CARRIER IS INSOLVENT. THESE MILLIONS OF DOLLARS WERE USED TO BALANCE THE STATE'S BUDGET IN VIOLATION OF THE STATE'S CONSTITUTION AND WORKERS' COMPENSATION STATUTE THAT CLEARLY STATE THAT MONEY FROM THE SPECIAL FUND MAY ONLY BE USED TO COVER WORKERS.

STATUS: DECIDED. MOTION TO INTERVENE GRANTED 1/5/10. COURT RULED 6/21/10 IN FAVOR OF THE PLAINTIFFS THAT FUNDS WERE HELD IN TRUST. ARIZONA COURT OF APPEALS OVERTURNED THE TRIAL COURT DECISION ON 12/3/12.

IN RE CARD INTERCHANGE FEE CLASS ACTION - UNFAIR COMPETITION
U.S. DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK

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NFIB FILED AN AMICUS BRIEF OPPOSING VISA/MASTERCARD'S PROPOSED SETTLEMENT IN AN INTERCHANGE FEE DISPUTE INVOLVING MERCHANTS AND CONSUMERS. NFIB CONTENTS THAT THE PROPOSED SETTLEMENT WOULD PUT SMALL BUSINESS AT A FURTHER DISADVANTAGE WHEN IT COMES TO NEGOTIATING INTERCHANGE FEES WITH BANKS.

STATUS: PENDING. AMICUS BRIEF FILED 11/19/12.

IN RE MASS TORT PROGRAM - ASBESTOS REFORM

PENNSYLVANIA COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY

A BRIEF WAS SUBMITTED TO THE PHILADELPHIA COURT OF COMMON PLEAS CALLING ON THE COURT TO ADOPT REFORMS IN ASBESTOS AND MASS TORT CASES TO ADDRESS ITS "JUDICIAL HELLHOLE" IMAGE. THE COURT RESPONDED TO THE AMICUS BRIEF AND ADOPTED A NEW PROTOCOL FOR MASS TORT CASES THAT THE BRIEF'S RECOMMENDATIONS WITH RESPECT TO REVERSE BIFURCATION, DEFERRAL OF PUNITIVE DAMAGES AND LIMITING CONSOLIDATED TRIALS.

STATUS: PENDING. AMICUS BRIEF FILED 1/21/12. COURT ADOPTED AMICI RECOMMENDATIONS FOR HANDLING ASBESTOS CLAIMS. SECOND AMICUS BRIEF SUBMITTED 6/1/12.

IN RE NESTLE USA - TAX

TEXAS SUPREME COURT

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BUSINESSES IN TEXAS ARGUE THAT THE STATE'S APPLICATION OF THE BUSINESS FRANCHISE TAX, ALSO KNOWN AS THE MARGINS TAX, DOES NOT TREAT "SIMILARLY SITUATED TAXPAYERS EQUALLY AND UNIFORMLY" AND THAT THE MARGINS TAX VIOLATES THE EQUAL AND UNIFORM CLAUSE OF THE TEXAS CONSTITUTION. IN ADDITION, THE PLAINTIFFS ARGUE THAT NESTLE MUST FILE AS A MANUFACTURER AND PAY A HIGHER TAX RATE EVEN THOUGH IT HAS NO MANUFACTURING FACILITIES IN THE STATE AND THIS PRACTICE VIOLATES THE COMMERCE CLAUSE OF THE U.S. CONSTITUTION. IN ROUND TWO OF THIS DISPUTE, NESTLE HAS PAID THE TAX UNDER PROTEST AND FILED AN APPEAL REGARDING THE INIQUITIES OF THE TAX.

STATUS: DECIDED. AMICUS BRIEF FILED IN SUPPORT OF PETITIONER 9/5/12. ORAL ARGUMENT HELD 9/18/12. COURT DISMISSED CHALLENGE ON 10/19/12.

JANKEY V. LEE - ATTORNEY FEE AWARDS IN ADA LAWSUITS
CALIFORNIA SUPREME COURT VICTORY!

THE COURT WILL DETERMINE WHETHER CALIFORNIA'S MANDATORY "PREVAILING PARTY" ATTORNEY'S FEE PROVISION REQUIRES A PREVAILING DEFENDANT TO ESTABLISH THAT THE PLAINTIFF'S CLAIM WAS FRIVOLOUS BEFORE AN ATTORNEY'S FEE AWARD CAN BE MADE.

STATUS: DECIDED. AMICUS BRIEF IN SUPPORT OF DEFENDANT FILED ON 1/7/11.
ORAL ARGUMENT SCHEDULED FOR 10/2/12. COURT UPHELD ATTORNEYS' FEE AWARD ON 12/17/12.

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SUMMARY OF LEGAL CASES FOR 2012 (CONT.)

KIVALINA V. EXXONMOBIL - LEGAL REFORM/CLIMATE CHANGE

U.S. COURT OF APPEALS FOR THE NINTH CIRCUIT

THE SUIT SEEKS MONETARY DAMAGES FROM VARIOUS ENERGY COMPANIES FOR THE ALLEGED DESTRUCTION OF KIVALINA, ALASKA BY CLIMATE CHANGE. THE SPECIFIC ISSUE IN THE CASE IS WHETHER THE PUBLIC NUISANCE CLAIMS SEEKING TO SUBJECT AMERICAN BUSINESS THAT EMIT CO2, METHANE AND OTHER SUCH GASSES TO LIABILITY FOR WEATHER-RELATED EVENTS ALLEGEDLY CAUSED BY GLOBAL WARMING VIOLATE THE POLITICAL QUESTION DOCTRINE UNDER ARTICLE III OF THE CONSTITUTION. THE SUIT WAS DISMISSED BY THE U.S. DISTRICT COURT.

STATUS: PENDING. AMICUS BRIEF FILED 07/07/10.

KLAIRMONT V. GRAINSBORO - LEGAL REFORM

SUPREME JUDICIAL COURT OF FOR THE COMMONWEALTH OF MASSACHUSETTS

NFIB JOINED A COALITION OF INTERESTED GROUPS IN FILING AN AMICUS BRIEF ON BEHALF OF DEFENDANTS-APPELLANTS IN THIS CASE. OUR BRIEF ARGUED THAT LITIGANTS SHOULD NOT BE ABLE TO ADVANCE CLAIMS AGAINST BUSINESSES UNDER CONSUMER PROTECTION STATUTES SEEKING COMPENSATION FOR PERSONAL INJURIES, WHICH ARE MORE APPROPRIATELY ADVANCED AS COMMON LAW TORT CLAIMS.

STATUS: PENDING. FILED IN SUPPORT OF DEFENDANTS-APPELLANTS ON 3/30/12.

KOONTZ V. ST. JOHNS RIVER MGMT. - PROPERTY RIGHTS

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U.S. SUPREME COURT

THE COURT WILL DETERMINE WHETHER THE GOVERNMENT CAN BE HELD LIABLE FOR A TAKING WHEN IT REFUSES TO ISSUE A LAND-USE PERMIT ON THE BASIS THAT THE APPLICANT WILL NOT ACCEDE TO A PERMIT CONDITION THAT VIOLATES THE ESSENTIAL NEXUS AND ROUGH PROPORTIONALITY TEST FROM NOLLAN V. CA COASTAL COMM. (1987) AND DOLAN V. CITY OF TIGARD (1994).

STATUS: PENDING. AMICUS BRIEF FILED 11/28/12. ORAL ARGUMENT SET FOR 1/15/13.

LAMONS GASKET CO. V. SWIU - NLRB OPENS DOOR TO MORE STEALTH CARD CHECK AGREEMENTS

NATIONAL LABOR RELATIONS BOARD

IN A 3-2 DECISION ON AUGUST 27, THE BOARD VOTED TO REVIEW A LANDMARK 2007 CASE, DANA CORPORATION, IN WHICH IT GRANTED DISSENTING WORKERS THE RIGHT TO UNDO A SUCCESSFUL (I.E., EMPLOYER-RECOGNIZED) UNION CARD CHECK CAMPAIGN AND DEMAND A SECRET BALLOT ELECTION. PRIOR TO THIS DECISION, EMPLOYEES HAD NO WAY TO DEMAND AN ELECTION IF THE EMPLOYER AGREED TO RECOGNIZE A UNION BASED ON AUTHORIZATION CARDS. WORKERS ACROSS THE COUNTRY HAVE ALREADY USED ELECTIONS TO KICK OUT UNWANTED UNIONS, DEMONSTRATING THE UNRELIABILITY OF CARD CHECK INSTANT ORGANIZING CAMPAIGNS. WORKERS FREQUENTLY SIGN UNION AUTHORIZATION CARDS DUE TO UNION ORGANIZERS' INTIMIDATING TACTICS OR EVEN OUTRIGHT LIES ABOUT WHAT

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SIGNING A CARD MEANS.

STATUS: PENDING. NFIB FILED TWO AMICUS BRIEFS ON 11/1/10 IN SUPPORT OF PRESERVING DANA CORPORATION.

LEWIS V. HUMBOLDT ACQUISITION CORP. - BURDEN OF PROOF FOR ADA CLAIMS
U.S. COURT OF APPEALS FOR THE SIXTH CIRCUIT

THIS CASE TESTS THE STANDARDS FOR PROVING AN AMERICANS WITH DISABILITIES ACT CLAIM. NOW BEING HEARD EN BANC, THE COURT IS BEING ASKED TO REVERSE THE DISTRICT COURT AND THREE-JUDGE PANEL DECISIONS THAT HELD A PLAINTIFF MUST PROVE THAT HER DISABILITY WAS THE SOLE, RATHER THAN A MOTIVATING, REASON FOR THE DEFENDANT-EMPLOYER'S ADVERSE EMPLOYMENT DECISION.

STATUS: DECIDED. AMICUS BRIEF FILED 8/10/11 IN SUPPORT OF THE EMPLOYER. COURT FOUND IN FAVOR OF PLAINTIFF AND REMANDED TO DISTRICT COURT FOR TRIAL.

LOBATO V. COLORADO - DEFENDING TAX PAYER BILL OF RIGHTS (TABOR) LAW
COLORADO SUPREME COURT

IN 1992, COLORADO PASSED A TAX PAYER BILL OF RIGHTS ("TABOR"). UNDER TABOR, STATE AND LOCAL GOVERNMENTS CANNOT RAISE TAX RATES WITHOUT VOTER APPROVAL AND CANNOT SPEND REVENUES COLLECTED UNDER EXISTING TAX RATES IF REVENUES GROW FASTER THAN THE RATE OF INFLATION AND POPULATION GROWTH,

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WITHOUT VOTER APPROVAL. IN LOBATO, THE PLAINTIFFS ALLEGE THAT THE IMPLEMENTATION OF TABOR RENDERS THE PUBLIC SCHOOL SYSTEM SO UNDERFUNDED THAT STUDENTS ARE DENIED AN ADEQUATE EDUCATION, IN VIOLATION OF THE STATE CONSTITUTIONAL MANDATE OF A "THOROUGH AND UNIFORM" SYSTEM. .

STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF TABOR LAW ON 7/18/12.

LOCKE V. KARASS - NONMEMBER UNION FEES

U.S. SUPREME COURT

IN LOCKE, THE COURT WILL DECIDE WHETHER A NATIONAL UNION THAT FUNCTIONS AS THE EXCLUSIVE BARGAINING AGENT FOR CERTAIN STATE EMPLOYEES CAN CHARGE LOCAL NONMEMBERS FOR LITIGATION EXPENSES, EVEN WHERE THE LITIGATION DOES NOT AFFECT THE LOCAL UNION. THE COURT HAS PREVIOUSLY HELD THAT UNIONS CAN CHARGE NONMEMBERS A SERVICE FEE TO COVER EXPENSES RELATED TO COLLECTIVE BARGAINING AND CONTRACT ADMINISTRATION, BUT CANNOT CHARGE NONMEMBERS TO SUPPORT POLITICAL OR IDEOLOGICAL EXPRESSION.

STATUS: DECIDED. COURT RULED THAT IN CERTAIN CIRCUMSTANCES A LOCAL UNION MAY CHARGE A NONMEMBER AN APPROPRIATE SHARE OF ITS CONTRIBUTION TO A NATIONAL UNION'S LITIGATION EXPENSES.

LOCKE V. SHORE - REGULATORY RESTRICTION ON INTERIOR DESIGNER

U.S. COURT OF APPEALS FOR THE ELEVENTH CIRCUIT

NFIB JOINED A LAWSUIT THAT CHALLENGED A FLORIDA LAW THAT PROHIBITS PEOPLE FROM PRACTICING INTERIOR DESIGN UNLESS THEY FIRST GET THE GOVERNMENT'S

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PERMISSION. THE LAW REQUIRES THAT THEY SPEND SIX YEARS AND THOUSANDS OF DOLLARS JUMPING THROUGH THE ARBITRARY HOOPS OF FLORIDA'S INTERIOR DESIGN LICENSING LAW. IN MARCH 2011, THE APPELLATE COURT UPHELD A DISTRICT COURT RULING THAT FOUND THE REGULATION CONSTITUTIONAL. THE RULING COMES DESPITE ADMISSIONS BY THE STATE THAT THERE IS NO EVIDENCE THAT THE UNLICENSED PRACTICE OF INTERIOR DESIGN POSES ANY THREAT TO THE PUBLIC.

STATUS: DECIDED. COURT UPHELD THE REGULATION ON 3/2/11. U.S. SUPREME COURT DENIED REVIEW ON 1/9/12.

MCCALL V. UNITED STATES - DEFENDING FLORIDA'S DAMAGES CAP
FLORIDA SUPREME COURT

THE U.S. ELEVENTH CIRCUIT COURT OF APPEALS RECENTLY UPHELD FLORIDA'S NONECONOMIC DAMAGES CAP UNDER THE U.S. CONSTITUTION, SEE ESTATE OF MCCALL V. UNITED STATES, 2011 WL 2084069 (11TH CIR. MAY 27, 2011). THE CIRCUIT COURT CERTIFIED THE FLORIDA CONSTITUTIONAL QUESTIONS TO THE FLORIDA SUPREME COURT.

STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF DEFENDANTS ON 9/15/11.

MCDONALD V. CITY HOSPITAL - CHALLENGE TO WEST VIRGINIA'S PUNITIVE DAMAGES CAP
WEST VIRGINIA SUPREME COURT OF APPEALS

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NFIB JOINED A COALITION AMICUS BRIEF IN A CHALLENGE TO THE STATE'S CAP ON NONECONOMIC DAMAGES FOR MEDICAL LIABILITY ACTIONS. THE COALITION ARGUED IN SUPPORT OF THE STATUTORY CAP ON NONECONOMIC DAMAGES BECAUSE WITHOUT THEM THE DOOR WILL BE OPENED TO SUBJECTIVE, RUNAWAY NONECONOMIC DAMAGE AWARDS.

STATUS: PENDING. ORAL ARGUMENTS HELD MARCH 8, 2011.

MERRILL V. OHIO - PROPERTY RIGHTS

OHIO SUPREME COURT

THE CASE INVOLVES A CHALLENGE TO SHORELINE PROPERTY OWNERS' RIGHT TO EXCLUDE TRESPASSERS ON DRY BEACHES ABOVE THE WATER'S EDGE. THIS IS AN IMPORTANT ISSUE NOT ONLY FOR RESIDENTIAL PROPERTY OWNERS, BUT FOR BUSINESSES ALONG LAKE ERIE WHO WANT TO BE ABLE TO EXCLUDE TRESPASSERS. THE TRIAL AND APPELLATE COURTS FOUND LARGELY IN FAVOR OF THE LANDOWNERS. THE OHIO DEPT. OF NATURAL RESOURCES HAS NOW APPEALED TO THE STATE SUPREME COURT.

STATUS: PENDING. AMICUS BRIEF FILED ON 9/20/10. ORAL ARGUMENT HELD 2/1/11.

SUMMARY OF LEGAL CASES FOR 2012 (CONT.)

METROPOLITAN MILWAUKEE ASSOCIATION OF COMMERCE V. CITY OF MILWAUKEE -
MANDATED SICK LEAVE
CIRCUIT COURT FOR MILWAUKEE COUNTY

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MILWAUKEE REQUIRED THAT ALL CITY BUSINESSES PROVIDE THEIR EMPLOYEES WITH PAID SICK LEAVE THROUGH THE PASSAGE OF A BINDING REFERENDUM. NFIB ARGUED THAT THE MEASURE INTERFERES WITH EMPLOYERS' RIGHTS TO NEGOTIATE MUTUALLY BENEFICIAL LABOR AGREEMENTS WITH THEIR EMPLOYEES AND IS AN ILLEGAL EXTENSION OF MILWAUKEE AUTHORITY INTO AREAS OF LAW RESERVED TO THE STATE.

STATUS: PENDING. AMICUS BRIEF FILED 01/28/09. CIRCUIT COURT GRANTED MMAC SUMMARY JUDGMENT ON OCTOBER 14, 2010. HOWEVER, THE COURT OF APPEALS REVERSED AND REMANDED THE CASE BACK TO THE CIRCUIT COURT ON MARCH 24, 2011.

MICHIGAN BUILDING AND CONSTRUCTION TRADES COUNCIL V. SNYDER - PLA AGREEMENTS
U.S. COURT OF APPEALS FOR THE SIXTH CIRCUIT

IN JULY 2011, GOVERNOR SNYDER SIGNED THE "MICHIGAN FAIR & OPEN COMPETITION IN GOVERNMENTAL CONSTRUCTION ACT," WHICH PROHIBITS GOVERNMENT ENTITIES FROM AWARDING CONTRACTS WITH PROJECT LABOR AGREEMENTS (PLAS). MICHIGAN BUILDING & CONSTRUCTION TRADES COUNCIL, AFL-CIO SUED TO BLOCK THE LAW. IN FEBRUARY A FEDERAL DISTRICT COURT DECLARED THE LAW INVALID FINDING IT IMPERMISSIBLY INTERFERES WITH THE NATIONAL LABOR RELATIONS ACT ("NLRA"). THE STATE APPEALED.

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THE ADVERSE IMPACTS OF GOVERNMENT-MANDATED PLAS ARE WELL SUPPORTED, AND MICHIGAN HAS JOINED A LARGE AND GROWING NUMBER OF STATES WHO HAVE DETERMINED THAT GOVERNMENT-MANDATED PLAS DO NOT SERVE THE STATES' INTERESTS. AFTER THE TRIAL COURT STRUCK DOWN THE FIRST LAW, THE LEGISLATURE PASSED AN AMENDED LAW TO CORRECT PERCEIVED DEFICIENCIES. THE TRIAL COURT STRUCK DOWN THE AMENDED LAW. A SECOND APPEAL FOLLOWED.

STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF LAW BANNING PLA'S ON 6/15/12. SECOND BRIEF FILED ON 1/22/13.

MIMS V. ARROW FINANCIAL SERVICES, INC. - LEGAL REFORM
U.S. SUPREME COURT

THE APPEAL STEMS FROM THE 11TH CIRCUIT COURT OF APPEALS HOLDING THAT FEDERAL COURTS LACK SUBJECT MATTER JURISDICTION OVER PRIVATE ACTIONS UNDER THE TELEPHONE CONSUMER PROTECTION ACT, 47 U.S.C. § 227. NFIB'S BRIEF DISCUSSES THE EXTORTION THAT SMALL BUSINESSES FACE WHEN THEY UNINTENTIONALLY VIOLATE A CONSUMER PROTECTION STATUTE, LIKE THE TCPA OR DO-NOT-FAX, AND THEN FACE A BARRAGE OF DEMAND LETTERS AND FORM COMPLAINTS FROM PLAINTIFFS' COUNSEL.

STATUS: DECIDED. AMICUS BRIEF FILED ON 10/28/11. COURT RULED IN FAVOR OF PLAINTIFF MIMS ON 1/17/12.

MULHALL V. UNITE HERE - UNION ORGANIZING

Name of the organization

NFIB SMALL BUSINESS LEGAL CENTER

Employer identification number

62-1570449

U.S. COURT OF APPEALS FOR THE ELEVENTH CIRCUIT VICTORY!

THE APPELLATE COURT WILL DECIDE WHETHER THE ORGANIZING ASSISTANCE THAT INCLUDES LISTS OF INFORMATION ABOUT NONUNION EMPLOYEES, USE OF PRIVATE COMPANY PROPERTY FOR ORGANIZING, AND A GAG-CLAUSE ON COMPANY COMMUNICATIONS WITH ITS EMPLOYEES ABOUT UNIONIZATION ARE "THINGS OF VALUE," MAKING IT ILLEGAL UNDER SECTION 302 OF THE LABOR MANAGEMENT RELATIONS ACT FOR THE UNION TO DEMAND THEM. IF THE CASE IS SUCCESSFUL, IT WILL BE ILLEGAL IN FLORIDA, GEORGIA, AND ALABAMA (AND POTENTIALLY ELSEWHERE) FOR UNIONS TO DEMAND THAT FROM AN EMPLOYER.

STATUS: DECIDED. AMICUS BRIEF IN SUPPORT OF MULHALL FILED 3/28/11. COURT RULED IN FAVOR OF MULHALL ON 1/19/12.

NATIONAL ASSOC. OF HOMEBUILDERS V. ARMY CORPS OF ENGINEERS - ADMIN
PROCEDURE CHALLENGE

U.S. COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

NAHB HAS APPEALED A DECISION FROM THE D.C. DISTRICT COURT THAT HELD A PARTY MUST SHOW THERE IS "NO SET OF CIRCUMSTANCES" UNDER WHICH THE RULE BEING CHALLENGING IS VALID. IF UPHELD, THIS RESULT WILL MAKE IT MUCH MORE DIFFICULT TO BRING FACIAL CHALLENGES TO ANY REGULATION.

STATUS: PENDING. AMICUS BRIEF FILED 4/11/11.

Name of the organization

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NATIONAL RESTAURANT ASSOCIATION (NRA) V. DOL

U.S. DISTRICT COURT

NFIB JOINED A CASE CHALLENGING THE NOTICE OF PROPOSED RULEMAKING (NPRM) PROCEDURES USED TO ALTER "TIP CREDIT" DISCLOSURE REGULATIONS. TIP CREDITS ALLOW EMPLOYERS TO PAY EMPLOYEES RECEIVING TIPS UNDER MINIMUM WAGE AS LONG AS THE EMPLOYEE'S HOURLY WAGE AND TIPS EXCEEDS MINIMUM WAGE. THE RULEMAKING NOTICE CONTAINED VERY LIMITED CHANGES TO THE CURRENT REGULATIONS, YET THE PROMULGATED REGULATIONS REQUIRE EXTENSIVE ADDITIONAL TIP CREDIT DISCLOSURE REQUIREMENTS FOR EMPLOYERS. THE NEW REGULATIONS REPRESENT A HUGE NEW ADMINISTRATIVE BURDEN WITH COSTLY PENALTIES FOR FAILED COMPLIANCE FOR BUSINESSES.

STATUS: PENDING. COMPLAINT FILED 6/16/11.

NATSO, INC. V. 3 GIRLS ENTERTAINMENT

U.S. SUPREME COURT - CERT PETITION

THE CASE CONCERNS THE USE OF OVERBROAD DISCOVERY REQUESTS TO SEEK TRADE ASSOCIATION COMMUNICATIONS WITH THEIR CORPORATE MEMBERS REGARDING LOBBYING STRATEGIES. THE TENTH CIRCUIT ORDERED SUCH DISCLOSURES, A RULING IN DIRECT CONFLICT WITH DECISIONS BY THE SUPREME COURT AND OTHER CIRCUIT COURTS.

STATUS: PENDING. NFIB FILED AMICUS BRIEF ON 10/20/11. REVIEW DENIED ON

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1/9/12.

NEIMAN MARCUS GROUP AND LOCAL 1102 - MICRO UNION CHALLENGE

NATIONAL LABOR RELATIONS BOARD

THE NLRB GRANTED REVIEW OF THE REGIONAL DIRECTOR'S DECISION IN NEIMAN MARCUS GROUP, INC. D/B/A BERGDORF GOODMAN. THE REGIONAL DIRECTOR RELIED ON THE MICRO UNION STANDARD ESTABLISHED IN SPECIALTY HEALTHCARE IN FINDING AN APPROPRIATE UNIT THAT WAS COMPOSED OF ONLY SALES ASSOCIATES IN THE WOMEN'S SHOE DEPARTMENT.

STATUS: PENDING. NFIB FILED AMICUS BRIEF ON 6/13/12.

SUMMARY OF LEGAL CASES FOR 2012 (CONT.)

NESTLE DREYER V. NLRB - MICRO UNION CHALLENGE

U.S. COURT OF APPEALS FOR THE FOURTH CIRCUIT

ON DECEMBER 28, 2011, THE NLRB UPHELD A REGIONAL DIRECTOR'S UNIT DETERMINATION OF MAINTENANCE EMPLOYEES AT NESTLE DREYER'S ICE CREAM PLANT. THE REGIONAL DIRECTOR'S DECISION WAS BASED ON THE MICRO-UNION STANDARD FROM SPECIALTY HEALTHCARE. NESTLE-DREYER LOST THE ELECTION AND REFUSED TO BARGAIN. ON MAY 18, THE BOARD ISSUED A DECISION FINDING THE COMPANY COMMITTED A ULP BY DOING SO. NESTLE DRYER HAS APPEALED THE ULP DECISION TO THE U.S. COURT OF APPEALS FOR THE FOURTH CIRCUIT CHALLENGING THE MICRO UNION STANDARD.

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STATUS: PENDING. NFIB FILED AMICUS BRIEF ON 7/11/12.

NESTLE V. COMBS - TAX

TEXAS SUPREME COURT

BUSINESSES IN TEXAS ARGUE THAT THE STATE'S APPLICATION OF THE BUSINESS FRANCHISE TAX, ALSO KNOWN AS THE MARGINS TAX, DOES NOT TREAT "SIMILARLY SITUATED TAXPAYERS EQUALLY AND UNIFORMLY." THE BUSINESSES BRINGING SUIT AGAINST THE STATE ARGUE THAT THE MARGINS TAX VIOLATES THE EQUAL AND UNIFORM CLAUSE OF THE TEXAS CONSTITUTION. IN ADDITION, THE PLAINTIFFS ARGUE THAT NESTLE MUST FILE AS A MANUFACTURER AND PAY A HIGHER TAX RATE EVEN THOUGH IT HAS NO MANUFACTURING FACILITIES IN THE STATE AND THIS PRACTICE VIOLATES THE COMMERCE CLAUSE OF THE U.S. CONSTITUTION.

STATUS: DECIDED. AMICUS BRIEF FILED IN SUPPORT OF PETITIONER 01/04/12.

COURT DISMISSED CASE FOR JURISDICTIONAL ISSUE ON 2/10/12.

NOEL CANNING V. NLRB - LABOR

U.S. COURT OF APPEALS FOR THE D.C. CIRCUIT

NOEL CANNING HAS CHALLENGED AN NLRB DECISION REQUIRING EMPLOYER TO NEGOTIATE IN GOOD FAITH. IN DOING SO, THE COURT HAS BEEN ASKED TO INVALIDATE THE BOARD'S RECESS APPOINTMENTS. COALITION FOR DEMOCRATIC WORKFORCE JOINED WITH THE U.S. CHAMBER OF COMMERCE TO INTERVENE ON BEHALF OF NOEL CANNING.

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STATUS: PENDING. MOTION TO INTERVENE FILED BY CDW ON 3/15/12. BRIEFING
CONCLUDES 12/11/12.

NORTHROP CORP. EMPLOYEE INS. BENEFIT PLANS V. UNITED STATES -

ADMINISTRATIVE LAW

U.S. SUPREME COURT CERT. PETITION

THIS TAX CASE DEALS WITH THE IRS' FAILURE TO COMPLY WITH THE
ADMINISTRATIVE PROCEDURE ACT (APA) WHEN IT PROMULGATED A TEMPORARY
REGULATION. THE CASE EXPANDS UPON THE ISSUES IN HOME CONCRETE V. UNITED
STATES, IN WHICH NFIB FILED AN AMICUS BRIEF IN 2011.

STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF PETITIONER 7/25/12.

POUNDERS V. ENSERCH E&C - LEGAL REFORM

ARIZONA SUPREME COURT

THE CASE INVOLVES CHOICE-OF-LAW AND APPLICATION OF NEW MEXICO'S STATUTE
OF REPOSE FOR ASBESTOS CLAIMS ARISING FROM IMPROVEMENTS TO REAL PROPERTY.

THE PLAINTIFF WAS EXPOSED TO ASBESTOS AT VARIOUS TIMES (1969-1974 AND
1977-1983) WHILE WORKING AS A WELDER IN NEW MEXICO. OVER TWO DECADES
LATER, PLAINTIFF FILED A PERSONAL INJURY SUIT IN ARIZONA. THE ARIZONA
COURT OF APPEALS HELD THAT NEW MEXICO LAW GOVERNED BECAUSE PLAINTIFF'S
"INJURY" TOOK PLACE IN NEW MEXICO AND NEW MEXICO HAS A MORE SUBSTANTIAL
INTEREST IN HAVING ITS LAW APPLIED. IF ARIZONA LAW WERE FOUND TO APPLY,

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THE CLAIM COULD PROCEED BECAUSE ARIZONA'S STATUTE OF REPOSE ONLY APPLIES
TO CONTRACT CLAIMS; IT DOES NOT APPLY TO PERSONAL INJURY OR WRONGFUL
DEATH CLAIMS.

STATUS: PENDING. AMICUS BRIEF FILED 10/26/12.

PPL MONTANA V. MONTANA - UNCONSTITUTIONAL TAKING OF PROPERTY
U.S. SUPREME COURT

THIS CASE STEMS FROM A MONTANA COURT DECISION REGARDING THE PROPERTY
RIGHTS OF CERTAIN RIVERS. THE RESULT OF THE MONTANA DECISION IS THAT
AFTER MORE THAN 100 YEARS, PRIVATE LANDOWNERS HAVE BEEN STRIPPED OF THEIR
OWNERSHIP OF SO-CALLED NAVIGABLE RIVER PROPERTIES AND THE STATE IS
CLAIMING MILLIONS IN RETROACTIVE RENT AND FEES.

STATUS: PENDING. AMICUS BRIEF FILED 9/7/2011 IN SUPPORT OF PROPERTY
OWNERS.

RANDAZZO V. JEFFERSON PARISH - TAX APPEAL PROCESS CHALLENGED
LOUISIANA SUPREME COURT

THIS CASE INVOLVES A SALES TAX DISPUTE WITH JEFFERSON PARISH. THE PARISH
PROCEEDED WITH A COLLECTION ACTION WITHOUT GIVING THE TAXPAYER THE PROPER
DUE PROCESS. THE LOWER COURT AGREED WITH THE TAXPAYER, BUT THE COURT OF
APPEALS OVERTURNED THE RULING.

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STATUS: PENDING. AMICUS BRIEF FILED 2/13/12.

RIGGS V. GEORGIA PACIFIC - ASBESTOS REFORM

UTAH SUPREME COURT

THE CASE INVOLVES INTERPRETATION OF UTAH'S 1986 LIABILITY REFORM ACT (LRA), WHICH ABOLISHED JOINT LIABILITY. THE LRA APPLIES PROSPECTIVELY, AND PLAINTIFF IS ARGUING SHE WAS "INJURED" WHEN SHE WAS EXPOSED TO ASBESTOS LONG AGO RATHER THAN WHEN SHE WAS DIAGNOSED WITH MESOTHELIOMA IN 2007. APPLICATION OF THE ACT TO POST-1986 EXPOSURES RATHER THAN POST-1986 DIAGNOSES IS EXTREMELY SIGNIFICANT. SINCE PROBABLY EVERY UTAH ASBESTOS CASE INVOLVES PRE-1986 EXPOSURES, PLAINTIFF'S THEORY WOULD RESULT IN FULL JOINT LIABILITY BEING APPLIED EVERY TIME. THIS WOULD NOT ONLY NULLIFY THE LAW IN ALL UTAH ASBESTOS CASES BUT ALSO RESULT IN FULL JOINT LIABILITY BEING APPLIED IN ANY OTHER TOXIC TORT CASE INVOLVING A PRODUCT WITH A LONG LATENCY PERIOD.

STATUS: PENDING. AMICUS BRIEF FILED 2/24/12.

RITE AID - NLRB OPENS DOOR TO MORE STEALTH CARD CHECK AGREEMENTS

IN A 3-2 DECISION ON AUGUST 27, THE BOARD VOTED TO REVIEW A LANDMARK 2007 CASE, DANA CORPORATION, IN WHICH IT GRANTED DISSENTING WORKERS THE RIGHT TO UNDO A SUCCESSFUL (I.E., EMPLOYER-RECOGNIZED) UNION CARD CHECK

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CAMPAIGN AND DEMAND A SECRET BALLOT ELECTION. PRIOR TO THIS DECISION, EMPLOYEES HAD NO WAY TO DEMAND AN ELECTION IF THE EMPLOYER AGREED TO RECOGNIZE A UNION BASED ON AUTHORIZATION CARDS. IN VOTING TO REVISIT THE DANA CASE, THE OBAMA NLRB HAS SIGNALLED ITS INTENT TO DENY WORKERS THE ABILITY TO VOTE ACCORDING TO THEIR CONSCIENCE AND REMOVE AN UNWANTED UNION FROM THEIR WORKPLACE. NFIB HAS FILED AN AMICUS BRIEF WITH THE BOARD, URGING IT NOT TO REVOKE THE NEW PROTECTIONS ACCORDED TO WORKERS SWEEPED INTO UNION RANKS THROUGH CARD CHECK FORCED UNIONISM.

STATUS: PENDING.

ROBINSON TOWNSHIP V. COMMONWEALTH OF PENNSYLVANIA - DEFENSE OF ACT 13
PENNSYLVANIA SUPREME COURT

ACT 13 WOULD MAKE IT EASIER FOR THE OIL AND GAS INDUSTRY TO NAVIGATE LOCAL ZONING LAWS AND RESTRICTS MUNICIPALITIES FROM INTERFERING WITH DEVELOPMENT OF OIL AND GAS RESOURCES. NFIB SUPPORTS ENVIRONMENTALLY SOUND EXPLORATION AND DEVELOPMENT OF NATURAL GAS RESOURCES AND SUPPORTED ACT 13.

STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF COMMONWEALTH 9/4/12.

ROUNDY'S - MEANING OF "DISCRIMINATION" IN NONEMPLOYEE ACCESS CASES
NATIONAL LABOR RELATIONS BOARD

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THE NLRB SOLICITED AMICUS BRIEFS TO RESOLVE THE ISSUE OF THE PROPER DEFINITION OF "DISCRIMINATION" IN CASES WHERE EMPLOYERS DENY NONEMPLOYEE UNION ORGANIZERS ACCESS TO THE EMPLOYER'S PROPERTY. THE NLRB'S INTERPRETATION OF THE CURRENT RULE FORCES BUSINESS OWNERS TO PERMIT UNION ORGANIZERS TO CONDUCT A BOYCOTT ON THE BUSINESS' PRIVATE PROPERTY.

NFIB ARGUED THAT IT IS WRONG TO REQUIRE A BUSINESS OWNER TO ALLOW UNION ORGANIZERS ONTO THEIR PRIVATE PROPERTY FOR THE PURPOSE OF HARMING THE BUSINESS. SINCE BOYCOTTS ARE ESPECIALLY DEVASTATING TO SMALL BUSINESSES, THE BOARD'S CURRENT INTERPRETATION IMPERMISSIBLY INTRUDES ON BUSINESS OWNERS PRIVATE PROPERTY RIGHTS.

STATUS: PENDING. AMICUS BRIEF FILED ON 1/7/11.

SACKETT V. EPA - REGULATORY TAKING

U.S. SUPREME COURT - CERT PETITION AND MERITS BRIEF

THE CASE CONCERNS A CLEAN WATER ACT VIOLATION THAT THE ENVIRONMENTAL PROTECTION AGENCY ISSUED TO THE SACKETTS, LANDOWNERS IN IDAHO. EPA CLAIMS THE LAND IS SUBJECT TO THE CWA, AND WHEN THE SACKETTS PLACED FILL MATERIAL ON THE LOT FOR THE CONSTRUCTION OF A HOME, EPA ISSUED AN ADMINISTRATIVE COMPLIANCE ORDER DIRECTING THE SACKETTS TO REMOVE THE FILL AND RESTORE THE LOT TO ITS ORIGINAL CONDITION. A THREE-JUDGE PANEL OF THE NINTH CIRCUIT RULED THEY CANNOT GET JUDICIAL REVIEW UNLESS THEY FIRST GO THROUGH THE LIKELY FUTILE PROCESS OF APPLYING FOR A FEDERAL WETLANDS

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PERMIT; A PROCESS THAT COULD TAKE YEARS AND COST TENS OF THOUSANDS OF DOLLARS.

STATUS: PENDING. NFIB AMICUS BRIEF FILED ON 3/25/11. COURT ACCEPTED REVIEW AND MERITS BRIEF FILED ON 9/30/11.

SUMMARY OF LEGAL CASES FOR 2012 (CONT.)

SCHLAUD V. SNYDER- FIGHTING THE FORCED UNIONIZATION OF HOME DAY-CARE WORKERS

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF MICHIGAN

THIS CASE CONCERNS THE COMPULSORY UNIONIZATION OF HOME DAY CARE PROVIDERS WHERE INDEPENDENT BUSINESSES WILL BE FORCED TO PAY UNION DUES AND SERVICE FEES TO NATIONAL UNIONS, BUT THEIR EMPLOYEES WILL NOT HAVE ACCESS TO ANY OF THE BENEFITS TRADITIONALLY SOUGHT BY EMPLOYEES WHO UNIONIZE.

STATUS: PENDING. NFIB AMICUS BRIEF FILED 3/17/11.

SECRETARY OF LABOR V. VOLKS CONSTRUCTORS A/K/A

AKM LLC V. SECRETARY OF LABOR - FIGHTING TO UPHOLD OSHA'S STATUTE OF LIMITATIONS

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

U.S. COURT OF APPEALS FOR THE D.C. CIRCUIT

THE NFIB LEGAL CENTER FILED A BRIEF ASKING OSHA'S REVIEW COMMISSION TO UPHOLD THE SIX-MONTH TIME LIMIT FOR OSHA TO ISSUE A CITATION FOR A

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RECORD-KEEPING VIOLATION.

DESPITE THIS LAW, OSHA CONTINUES TO ISSUE CITATIONS FOR FAILING TO PROPERLY RECORD INJURIES IN ITS FORM 300 LOG FOR VIOLATIONS THAT HAVE OCCURRED UP TO FIVE YEARS AGO. THE NFIB LEGAL CENTER BELIEVES THAT MAKING SMALL BUSINESSES SPEND TIME AND MONEY TRYING TO RECALL THE FACTS AND FIND FORMER EMPLOYEES IN AN ATTEMPT TO DEFEND AGAINST STALE CLAIMS IS UNFAIR.

STATUS: PENDING. NFIB AMICUS BRIEF FILED ON 11/27/07. IN A 2-1 DECISION, THE COMMISSION AFFIRMED OSHA'S AUTHORITY TO PUNISH EMPLOYERS FOR RECORDKEEPING VIOLATIONS THAT OCCURRED UP TO FIVE YEARS BEFORE THE EXPIRATION OF THE SIX-MONTH STATUTE OF LIMITATIONS GOVERNING SUCH RECORDKEEPING ERRORS, ON THE GROUNDS THAT IMPROPER RECORDKEEPING MAY CONSTITUTE A CONTINUING VIOLATION OF OSHA'S MANDATORY FIVE-YEAR RECORD RETENTION REGULATION. EMPLOYER APPEALED TO FEDERAL COURT. AMICUS BRIEF FILED 8/3/11.

SEE'S CANDY SHOPS - WAGE AND HOUR (ROUNDING PRACTICES)
CALIFORNIA SUPREME COURT - PETITION FOR REVIEW
CALIFORNIA COURT OF APPEAL 4TH APPELLATE DISTRICT (REMANDED)

THE CALIFORNIA SUPREME COURT GRANTED SEE'S CANDY'S PETITION FOR REVIEW ON THE QUESTION OF WHETHER TIME ROUNDING POLICIES ARE LEGAL UNDER CALIFORNIA LAW. THE ISSUE WAS REMANDED TO THE COURT OF APPEAL WHERE NFIB SMALL BUSINESS LEGAL CENTER FILED AN AMICUS ARGUING THAT CALIFORNIA LAW

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COMPORTS WITH FEDERAL REGULATIONS ALLOWING TIME ROUNDING.

STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF THE EMPLOYER ON
4/10/12.

SIMPKINS V. CSX TRANSPORTATION - WORKPLACE ASBESTOS EXPOSURE (PREMISES
LIABILITY)
SUPREME COURT OF ILLINOIS

THE BRIEF ARGUES THAT PREMISES OWNERS, SUCH AS THE DEFENDANT RAILROAD,
OWE NO LEGAL DUTY OF CARE TO REMOTE PLAINTIFFS ALLEGEDLY INJURED AS A
RESULT OF SECONDHAND EXPOSURE TO ASBESTOS OR OTHER SUBSTANCES EMITTED IN
THE WORKPLACE. THE SUBJECT ACTION INVOLVES THE ESTATE OF A WOMAN WHO WAS
ALLEGEDLY EXPOSED TO ASBESTOS CARRIED HOME ON THE PERSON AND CLOTHING OF
HER FORMER HUSBAND, WHO WORKED FOR THE DEFENDANT'S PREDECESSOR RAILROAD
FROM 1958 TO 1964.

STATUS: PENDING. AMICUS CURIAE BRIEF IN SUPPORT OF CSX TRANSPORTATION
FILED 4/25/11. COURT DENIED AMICUS BRIEFS ON 5/31/11.

SPECIALTY HEALTHCARE - NLRB DECIDES WHETHER "MICRO UNIONS" PERMITTED
NATIONAL LABOR RELATIONS BOARD

THE NLRB WILL SOON DECIDE WHETHER OR NOT LABOR UNIONS WILL BE ALLOWED TO
BREAK OFF DIFFERENT SECTIONS OF WORKFORCES INTO SMALL GROUPS TO ORGANIZE
FIVE OR 10 WORKERS AT A TIME INSTEAD OF THE WHOLE WORKPLACE AT ONCE - OR

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ORGANIZE USING "MICRO UNIONS."

THE "MICRO UNIONS" WOULD ESSENTIALLY ALLOW LABOR ORGANIZERS TO SECTION OFF COMPANY EMPLOYEES BY SPECIFIC JOB DESCRIPTIONS. FOR EXAMPLE, IF A UNION WERE TRYING TO ORGANIZE A RESTAURANT STAFF, LEADERS WOULD TARGET SERVERS, BUSBOYS, DISHWASHERS, COOKS AND HOSTESSES SEPARATELY.

STATUS: PENDING. AMICUS BRIEF FILED 3/7/11.

SPIRIT AIRLINES V. DEPT. OF TRANSPORTATION - REGULATORY AND FIRST AMENDMENT

U.S. SUPREME COURT - CERT PETITION

IN 2012, U.S. DEPARTMENT OF TRANSPORTATION ISSUED A REGULATION THAT REQUIRES AIRLINES TO LIST THE TOTAL FEE FOR A TICKET (INCLUDING TAXES) IN ON-LINE AND PRINT ADVERTISING. THE RULE ESSENTIALLY PROHIBITS AIRLINES FROM HIGHLIGHTING OR CRITICIZING MANDATORILY-IMPOSED TAXES.

STATUS: PENDING. AMICUS BRIEF FILED 12/27/12.

STATE OF FLORIDA V. HHS - NFIB SUES TO STOP HEALTH CARE LAW
U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF FLORIDA
U.S. COURT OF APPEALS FOR THE ELEVENTH CIRCUIT
U.S. SUPREME COURT

ON MAY 14, 2010, NFIB JOINED THE MULTI-STATE LAWSUIT CHALLENGING THE

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CONSTITUTIONALITY OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT. THE SUIT WAS FILED ON BEHALF OF NFIB BY THE NFIB SMALL BUSINESS LEGAL CENTER IN U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF FLORIDA. THERE ARE A NUMBER OF LEGAL CLAIMS IN THE LAWSUIT, HOWEVER, NFIB IS PRIMARILY CONCERNED ABOUT THE UNCONSTITUTIONALITY OF THE INDIVIDUAL MANDATE. NFIB STRONGLY BELIEVES THAT CONGRESS LACKS THE AUTHORITY TO FORCE AMERICANS TO PURCHASE A PRIVATE PRODUCT, SUCH AS HEALTH INSURANCE, OR FACE PAYING A PENALTY.

ON JANUARY 31, 2011, FEDERAL DISTRICT JUDGE ROGER VINSON RULED THAT THE INDIVIDUAL MANDATE IN THE HEALTHCARE LAW IS UNCONSTITUTIONAL. JUDGE VINSON ALSO FOUND THAT THE MANDATE CANNOT BE SEVERED FROM THE REST OF THE HEALTHCARE LAW, THE ENTIRE ACT MUST BE DECLARED VOID."

STATUS: AFTER SUBSEQUENT APPEAL AND DECISION BY THE U.S. COURT OF APPEALS FOR THE 11TH CIRCUIT, THE CASE MOVED TO THE U.S. SUPREME COURT. IN A DECISION ISSUED JUNE 28, 2012, THE COURT UPHELD THE HEALTHCARE LAW AND REJECTED NFIB'S CHALLENGE.

TAYLOR V. EASTERN CONNECTION OPERATING, INC. - WAGE & HOUR
SUPREME JUDICIAL COURT OF MASSACHUSETTS

THIS CASE ISSUE INVOLVES THE POTENTIAL EXTRATERRITORIAL APPLICATION OF THE MASSACHUSETTS WAGE ACT. THREE INDEPENDENT CONTRACTORS WHO RESIDE AND WORK IN NEW YORK SUED EASTERN CONNECTION IN MASSACHUSETTS. PLAINTIFFS

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SOUGHT TO PROSECUTE CLAIMS UNDER THE MASSACHUSETTS INDEPENDENT CONTRACTOR STATUTE, THE MINIMUM WAGE ACT, AND THE MINIMUM OVERTIME LAW. THE SUPERIOR COURT GRANTED EASTERN CONNECTION'S RULE 12(B) MOTION TO DISMISS ON THE GROUNDS THAT NEW YORK, RATHER THAN MASSACHUSETTS LAW APPLIES, BECAUSE "NONE OF THE PLAINTIFFS HAVE ANY CONTACT WITH MASSACHUSETTS OTHER THAN THROUGH THEIR EMPLOYMENT BY THE DEFENDANT." PLAINTIFFS APPEALED THE DISMISSAL, AND THE SJC HAS TAKEN THE APPEAL.

STATUS: PENDING. AMICUS BRIEF FILED 11/30/12. ORAL ARGUMENT SET FOR 1/8/13.

U.S. V. HOME CONCRETE & SUPPLY, LLC - CHALLENGING RETROACTIVE IRS RULE
U.S. SUPREME COURT

THE COURT IS BEING ASKED TO DETERMINE WHETHER A FINAL REGULATION PROMULGATED BY THE IRS, WHICH REFLECTS THE IRS'S VIEW THAT AN UNDERSTATEMENT OF GROSS INCOME ATTRIBUTABLE TO AN OVERSTATEMENT OF BASIS CAN TRIGGER THE EXTENDED SIX-YEAR ASSESSMENT PERIOD, IS ENTITLED TO JUDICIAL DEFERENCE. THIS CASE WILL HAVE IMPORTANT RAMIFICATIONS ON THE LEVEL OF DEFERENCE IRS REGULATIONS RECEIVE, SINCE THE RULE ESSENTIALLY OVERTURNS EXISTING SUPREME COURT PRECEDENT AND APPLIES RETROACTIVELY.

STATUS: PENDING. AMICUS BRIEF FILED IN SUPPORT OF RESPONDENT ON 12/22/11.

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VANCE V. BALL STATE - TITLE VII LIABILITY

U.S. SUPREME COURT

NFIB FILED AN AMICUS BRIEF SUPPORTING DEFENDANT BALL STATE UNIVERSITY. PLAINTIFF FILED A COMPLAINT WITH THE EEOC ALLEGING THAT COWORKERS AND AT LEAST ONE "SUPERVISOR" CREATED A HOSTILE WORK ENVIRONMENT BY MAKING OFFENSIVE, RACIALLY CHARGED COMMENTS. THE STANDARDS CREATING EMPLOYER LIABILITY VARIES FOR SUPERVISORS AND CO-WORKERS, THUS THE CLAIM BOILED DOWN TO THE COURT'S DEFINITION OF "SUPERVISOR." THE 7TH CIRCUIT DECLINED TO ADOPT A BROADER DEFINITION OF "SUPERVISOR" THAT IS USED BY OTHER CIRCUIT COURTS, AND THE SUPREME COURT GRANTED CERTIORARI TO RESOLVE THE CIRCUIT SPLIT. IF THE SUPREME COURT ACCEPTS THE BROADER DEFINITION OF "SUPERVISOR," THE THREAT OF EMPLOYER LIABILITY AND FRIVOLOUS LITIGATION WOULD INCREASE.

STATUS: PENDING. AMICUS BRIEF FILED ON 10/26/12. ORAL ARGUMENT SET FOR 11/26/12.

WATTS V. COX MEDICAL CENTER - DAMAGE CAP

MISSOURI SUPREME COURT

THE COURT HAS BEEN ASKED TO DETERMINE THE CONSTITUTIONALITY OF MISSOURI'S DAMAGES CAP.

STATUS: PENDING. AMICUS BRIEF FILED 12/30/11.

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WHITING V. CBS CORP. AND CRANE CO. - DUTY TO WARN OF ASBESTOS DANGER

COMMONWEALTH OF MASS. APPEALS COURT

THE COURT WILL DETERMINE WHETHER THE DEFENDANTS HAD A DUTY TO WARN OF THE ASBESTOS-RELATED HAZARDS IN REPLACEMENT GASKETS AND PACKING AND EXTERNAL INSULATION MADE BY THIRD PARTIES AND INSTALLED BY THE NAVY.

STATUS: PENDING. AMICUS BRIEF FILED 6/8/12.

FORM 990 PROVIDED TO GOVERNING BODY

PART VI, SECTION B: POLICIES, LINE 11

FOLLOWING AN INDEPENDENT AUDIT OF ITS FINANCIAL STATEMENTS, A DRAFT OF NFIB SMALL BUSINESS LEGAL CENTER'S FORM 990 IS PREPARED. THIS FORM 990 IS REVIEWED INTERNALLY BY NFIB'S TAX ACCOUNTANT, CONTROLLER/TREASURER, AND SVP/CFO. ANY QUESTIONS ARISING FROM THE INITIAL REVIEW ARE ADDRESSED TO ENSURE THE RETURN IS COMPLETE AND ACCURATE. ANY NECESSARY CHANGES/CORRECTIONS ARE MADE ON THE FORM 990 AND THE RETURN AGAIN GOES THROUGH NFIB SMALL BUSINESS LEGAL CENTER'S INTERNAL REVIEW PROCESS. UPON APPROVAL OF THE SVP/CFO, THE FINAL RETURN IS FILED WITH THE INTERNAL REVENUE SERVICE. THE FINAL RETURN IS MADE AVAILABLE TO THE BOARD OF DIRECTORS FOR REVIEW.

WRITTEN CONFLICT OF INTEREST POLICY

PART VI, SECTION B: POLICIES, LINE 12

EVERY BOARD MEMBER, OFFICER, AND KEY EMPLOYEE OF NFIB SMALL BUSINESS

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LEGAL CENTER IS REQUIRED TO DISCLOSE ANY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST ON AN ANNUAL BASIS.

PROCESS OF DETERMINING COMPENSATION FOR OFFICERS AND OTHER KEY EMPLOYEES

PART VI, SECTION B: POLICIES, LINE 15

THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS IS RESPONSIBLE FOR DETERMINING COMPENSATION FOR THE CEO, CFO, SECRETARY AND SVP OF THE ORGANIZATION. THE TREASURER'S AND EXECUTIVE DIRECTOR'S COMPENSATION IS REVIEWED AND SET BY THE CEO. IN NOVEMBER 2011, AN OUTSIDE COMPENSATION CONSULTING FIRM WAS ENGAGED TO PROVIDE EXPERT ANALYSES REGARDING THE REASONABLENESS OF THE TOTAL COMPENSATION PACKAGE FOR THE EXECUTIVES OF NFIB AND ITS AFFILIATED ORGANIZATIONS. THE 2011-2012 RESULTS ALONG WITH AN IRC 4958 OPINION LETTER WERE PROVIDED TO THE CHAIRMAN OF THE BOARD FOR THE EXECUTIVE COMMITTEE AT THE FEBRUARY 2012 MEETING.

THE COMMITTEE RELIES ON THIS INDEPENDENT REVIEW TO ENSURE THAT REASONABLE COMPENSATION IS PAID TO THE CEO, CFO, SECRETARY AND SVP. THE COMMITTEE'S PHILOSOPHY IS TO ENSURE THAT THE COMPENSATION FOR THESE POSITIONS RELATIVE TO MARKET COMPARISONS IS COMPETITIVE IN ORDER TO ATTRACT, RETAIN AND MOTIVATE QUALIFIED EMPLOYEES WHILE NOT BEING AT THE TOP OF THE RANGE.

THE COMMITTEE SETS THE COMPENSATION FOR THE CEO, CFO, SECRETARY AND SVP EACH YEAR DURING THEIR MEETING WHICH IS TYPICALLY HELD IN JANUARY OR FEBRUARY. MINUTES FROM THESE ANNUAL MEETINGS ARE TAKEN BY THE CORPORATE SECRETARY DURING THE MEETING. WHEN THE MINUTES ARE REVIEWED AND APPROVED,

Name of the organization

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THEY ARE RETAINED WITH ALL OTHER CORPORATE RECORDS.

DOCUMENTS AVAILABLE TO THE PUBLIC

PART VI, SECTION C: DISCLOSURE, LINE 19

IT IS NFIB SMALL BUSINESS LEGAL CENTER'S ("THE CENTER") POLICY TO MAKE AVAILABLE FOR PUBLIC INSPECTION, UPON REQUEST, EITHER WRITTEN OR IN PERSON, ITS EXEMPTION APPLICATION, SUPPORTING DOCUMENTS AND ANY LETTER OR DOCUMENT ISSUED BY THE IRS CONCERNING THE APPLICATION. THE CENTER ALSO MAKES AVAILABLE FOR PUBLIC INSPECTION AND COPYING, UPON REQUEST, EITHER WRITTEN OR IN PERSON, ITS FEDERAL FORM 990, RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX. THE FORM 990 IS AVAILABLE FOR A THREE-YEAR PERIOD BEGINNING WITH THE DUE DATE OF THE RETURN (INCLUDING ANY EXTENSION OF TIME FOR FILING). THE FOUNDATION'S CONFLICT OF INTEREST POLICY IS ALSO AVAILABLE TO THE PUBLIC UPON REQUEST, EITHER WRITTEN OR IN PERSON.

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

THE NFIB SMALL BUSINESS LEGAL CENTER IS A NONPROFIT PUBLIC BENEFIT CORPORATION CREATED UNDER THE TENNESSEE NONPROFIT CORPORATION ACT. IT IS ORGANIZED EXCLUSIVELY FOR CHARITABLE, EDUCATIONAL, AND SCIENTIFIC PURPOSES AS PERMITTED BY SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), INCLUDING, FOR SUCH PURPOSES, MAKING DISTRIBUTIONS TO ORGANIZATIONS THAT QUALIFY AS EXEMPT ORGANIZATIONS UNDER SECTION 501(C)(3) OF THE CODE. THE LEGAL CENTER IS A SUPPORTING ORGANIZATION PURSUANT TO SECTION 509(A)(3) OF THE CODE AND IS ORGANIZED AND OPERATED FOR THE BENEFIT OF NATIONAL FEDERATION OF INDEPENDENT BUSINESS ("NFIB"), WHICH IS A 501(C)(6) ORGANIZATION. THE LEGAL CENTER IS ORGANIZED TO CARRY ON CHARITABLE

Name of the organization

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Employer identification number

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ATTACHMENT 1 (CONT'D)FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

ACTIVITIES OF PROVIDING LEGAL EDUCATION AND REPRESENTATION ON ISSUES
OF BROAD PUBLIC INTEREST.

ATTACHMENT 2FORM 990, PART VI, LINE 17 - STATES

AL, AK, AZ, AR, CA, CO, CT,

DC, FL, GA, HI, IL, KS, KY, ME, MD, MA, MI,

MN, MS, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA,

RI, SC, TN, UT, VA, WA, WV, WI,

ATTACHMENT 3990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
JONES DAY 51 LOUISIANA AVE NW WASHINGTON, DC 20001	LEGAL SERVICE	634,270.
CREATIVE RESPONSE CONCEPTS 2760 EISENHOWER AVE, 4TH FLOOR ALEXANDRIA, VA 22314	PUBLIC RELATIONS	236,123.

ATTACHMENT 4FORM 990, PART IX - OTHER FEES

<u>DESCRIPTION</u>	(A) <u>TOTAL FEES</u>	(B) <u>PROGRAM SERVICE EXP.</u>	(C) <u>MANAGEMENT AND GENERAL</u>	(D) <u>FUNDRAISING EXPENSES</u>
PUBLIC RELATIONS	236,123.	236,123.	0	0
OTHER EXPENSES	92,259.	2,477.	1,232.	88,550.

Name of the organization

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ATTACHMENT 4 (CONT'D)FORM 990, PART IX - OTHER FEES

<u>DESCRIPTION</u>	(A)	(B)	(C)	(D)
	<u>TOTAL</u> <u>FEES</u>	<u>PROGRAM</u> <u>SERVICE EXP.</u>	<u>MANAGEMENT</u> <u>AND GENERAL</u>	<u>FUNDRAISING</u> <u>EXPENSES</u>
TOTALS	<u>328,382.</u>	<u>238,600.</u>	<u>1,232.</u>	<u>88,550.</u>

SCHEDULE R
(Form 990)Department of the Treasury
Internal Revenue Service

Name of the organization

NFIB SMALL BUSINESS LEGAL CENTER

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public
Inspection

Employer identification number

62-1570449

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) NATIONAL FEDERATION OF INDEPENDENT BUS. 94-0707299 53 CENTURY BLVD., SUITE 250 NASHVILLE, TN 37214	MEM. REPRESENTS.	CA	501(C)(6)	N/A	N/A		X
(2) NFIB RESEARCH FOUNDATION 04-3592337 53 CENTURY BLVD., SUITE 250 NASHVILLE, TN 37214	RESEARCH	TN	501(C)(3)	SUP. ORG. I	NFIB	X	
(3) NFIB YOUNG ENTREPRENEUR FOUNDATION 62-1557196 53 CENTURY BLVD., SUITE 250 NASHVILLE, TN 37214	EDUCATION	TN	501(C)(3)	SUP. ORG. I	NFIB	X	
(4) NFIB SAVE AMERICAS FREE ENTERPRISE TRUST 94-2532364 53 CENTURY BLVD., SUITE 250 NASHVILLE, TN 37214	PAC	CA	527	N/A	NFIB	X	
(5) NFIB, THE VOICE OF FREE ENTERPRISE 27-3615830 53 CENTURY BLVD., SUITE 250 NASHVILLE, TN 37214	SOC. WELFARE	TN	501(C)(4)	N/A	NFIB	X	
(6) -----							
(7) -----							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2012

Schedule R (Form 990) 2012

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	(k) Percentage ownership
							Yes	No			
(1) _____											
(2) _____											
(3) _____											
(4) _____											
(5) _____											
(6) _____											
(7) _____											

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Perce- tage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) NFIB MEMBER SERVICES CORPORATION 53 CENTURY BLVD., SUITE 250 NASHVILLE, TN 37214-3602 94-2899404	MEMBER BENEFITS	CA	N/A	C					X
(2) _____									
(3) _____									
(4) _____									
(5) _____									
(6) _____									
(7) _____									

Schedule R (Form 990) 2012

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes No	
		1a	1b
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of (i) interest (iii) royalties or (iv) rent from a controlled entity		
b	Gift, grant, or capital contribution to related organization(s)		
c	Gift, grant, or capital contribution from related organization(s)		
d	Loans or loan guarantees to or for related organization(s)		
e	Loans or loan guarantees by related organization(s)		
f	Dividends from related organization(s)		
g	Sale of assets to related organization(s)		
h	Purchase of assets from related organization(s)		
i	Exchange of assets with related organization(s)		
j	Lease of facilities, equipment, or other assets to related organization(s)		
k	Lease of facilities, equipment, or other assets from related organization(s)		
l	Performance of services or membership or fundraising solicitations for related organization(s)		
m	Performance of services or membership or fundraising solicitations by related organization(s)		
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		
o	Sharing of paid employees with related organization(s)		
p	Reimbursement paid to related organization(s) for expenses		
q	Reimbursement paid by related organization(s) for expenses		
r	Other transfer of cash or property to related organization(s)		
s	Other transfer of cash or property from related organization(s)		

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	NFIB THE VOICE OF FREE ENTERPRISE	LINE C	388,440.	FMV
(2)	NATIONAL FEDERATION OF INDEPENDENT BUSINESS	LINE N	117,158.	FMV
(3)	NATIONAL FEDERATION OF INDEPENDENT BUSINESS	LINE P	202,581.	FMV
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) _____													
(2) _____													
(3) _____													
(4) _____													
(5) _____													
(6) _____													
(7) _____													
(8) _____													
(9) _____													
(10) _____													
(11) _____													
(12) _____													
(13) _____													
(14) _____													
(15) _____													
(16) _____													

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).